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No. 40] NEW DELHI, SATURDAY, OCTOBER 4, 1969 (ASVINA 12, 1891)

इस भाग में चिन्ह पृष्ठ संख्या दी जाती है जिससे कि यह घरण संकलन के रूप में रखा जा सके
(Separate paging is given to this Part in order that it may be filed as a separate compilation)

भाग III—खण्ड 4

(PART III—SECTION 4)

विविध मिकायों द्वारा जारी की गई विविध अधिसूचनाएं जिसमें अधिसूचनाएं, आदेश, विज्ञापन और सूचनाएं सम्मिलित हैं
(Miscellaneous Notifications including Notifications, Orders, Advertisements and Notices issued by Statutory Bodies)

स्टेट बैंक ऑफ इंडिया
केन्द्रीय कार्यालय
बम्बई, दिनांक 22 सितम्बर 1969

इस के द्वारा स्टेट बैंक के स्टाफ में की गई निम्नलिखित नियुक्ति
की अधिसूचना दी जाती है :

श्री ए० जे० गोविंदगज 20 सितम्बर 1969 से केन्द्रीय
कार्यालय के स्टाफ में स्थानापन सहायक-निरीक्षक के पद पर नियुक्त
किये गये ।

एन० रामानन्द राव, प्रबन्ध निदेशक

RESERVE BANK OF INDIA

Central Office

Agricultural Credit Department
Bombay-18, the 11th September 1969

ACD No. 19/A. 18-69/70.—In pursuance of sub-section (2) of
Section 36A read with clause (za) of Section 56 of the Banking
Regulation Act, 1949, the Reserve Bank of India hereby notifies
that the following banks have ceased to be primary co-operative
banks within the meaning of the said Act:

Name of the primary co-operative bank	State/Union Territory
1. Tisco Friends Co-operative Credit Society Ltd., P. Road, Bistupur, Jamshedpur, District Singhbhum.	Bihar
2. North Arcot District Government Employees' Co-operative Bank Ltd., Fort Round Road, Vellore, District North Arcot.	Tamil Nadu
3. Ammunition Factory Co-operative Credit Society Ltd., Powder Works Road, Kirkee, Poona-3.	Maharashtra
4. Dhulia Primary Teachers' Co-operative Credit Society Ltd., Municipal School Board, School No. 2, Nagarpatti, Dhulia.	Maharashtra

(1)	(2)
5. India Security Press Employees' Co-operative Credit Society Ltd., Nasik Road, District Nasik.	Maharashtra
6. Morarji Gokuldas Millhands Co-operative Credit Society Ltd., Dr. Ambedkar Road, Parel, Bombay-12.	Maharashtra
7. Narsing Girji Mill Weaving Department Employees' Co-operative Credit Society Ltd., Sholapur.	Maharashtra
8. Glandstone Lyall Employees Co-operative Credit Society Ltd., 4, Fairlie Place, Calcutta-1.	West Bengal
9. I.B.P./Steels Co-operative Credit Society Ltd., 8, Netaji Subhas Road, Calcutta-1.	West Bengal
10. Chartered Bank Employees' Co-operative Credit Society Ltd., 4, Netaji Subhas Road, Calcutta-1.	West Bengal
11. Ministry of Food and Agriculture Co-operative Thrift and Credit Society Ltd., Krishi Bhavan, New Delhi.	Delhi

C. D. DATEY,
Chief Officer

STATE BANK OF INDIA
Central Office

NOTICE*Bombay, the 22nd September 1969*

The following appointment on the Bank's staff is hereby notified :—

Shri A. J. Govindaraj to Offciate as an Assistant Inspector on the Central Office staff as from the 20th September 1969.

N. RAMANAND RAO
Managing Director.

NOTICE*New Delhi, the 23rd September 1969*

No. Staff-12.—Shri G. L. Malhotra, Officer (S.B.I.), held temporary but complete charge of Acting Accountant's duties at Simla Branch, as from the close of business on the 12th June 1968 to the close of business on the 23rd July 1968, vice Shri V. B. Katyal, Officer (S.B.I.), transferred elsewhere.

Shri V. D. Bhog, Officer (S.B.I.), worked as Officer-in-Charge, General Department, New Delhi L.H.O., as from the close of business from the 21st April 1969 to the close of business on the 4th August 1969, vice Shri Priya Brat, Officer (S.B.I.), transferred elsewhere.

Shri D. R. Varma, Officer (S.B.I.), took over as Acting Accountant, Panjab University (Chandigarh) Branch as from the close of business on the 25th June 1969, vice Shri M. S. Sood, Sub-Accountant, transferred elsewhere.

Shri D. P. Nayyar, Staff Officer, Grade III (S.B.I.), took over as Deputy Superintendent, Foreign Exchange

Department, New Delhi L.H.O., as from the close of business on the 14th July 1969.

Shri J. C. Luthra, Officer (S.B.I.), took over as Acting Accountant, Simla Branch with effect from the close of business on the 23rd July 1969, vice Shri G. L. Malhotra, Officer (S.B.I.), who was holding temporary but complete charge thereof.

Shri O. P. Puri, Officer (S.B.I.), took over as Field Officer, Development Department, New Delhi L.H.O., as from the commencement of business on the 15th July 1969.

Shri B. Rai, Officer (S.B.I.), took over as Officer-in-Charge, General Department, New Delhi L.H.O., as from the close of business on the 4th August 1969, vice Shri V. D. Bhog, Officer (S.B.I.), who was holding temporary but complete charge thereof.

Shri A. S. Puri, Staff Officer, First Grade (I.B.I.), took over as Superintendent, District I, New Delhi L.H.O., as from the close of business on the 6th August 1969, vice Shri G. K. Ahluwalia, Staff Officer, First Grade (I.B.I.), transferred elsewhere.

Shri R. N. Sharma, Officer (S.B.I.), took over as Field Officer, Development Department, New Delhi L.H.O., as from the close of business on the 7th August 1969, vice Shri Vishnu Motwani, Officer (S.B.I.), transferred elsewhere.

Shri N. N. Kaul, Officer (I.B.I.), took over as Agent, South Extension (New Delhi) Branch, as from the close of business on the 23rd August 1969, vice Shri S. D. Nayar, Officer (S.B.I.), granted leave.

H. C. SARKAR
Offg. Secretary & Treasurer

STATE BANK OF MYSORE
Bangalore-9, the 16th September, 1969

S.B.M. No. 1.—In Supersession of Notification SBM No. 11/63 dated the 18th November, 1963, published in the Gazette of India dated the 30th November, 1963, regarding signing powers of our officials, it is hereby notified for general information that in terms of regulation 55(1) of the Subsidiary Banks General Regulations, 1959, the Board of Directors of the STATE BANK OF MYSORE, has empowered each of the officials mentioned in column (1) hereunder to exercise severally the powers specified in column (2) :—

Officials	Powers
(1)	(2)
I. Deputy General Manager, Chief Accountant, Head Office, Inspector, Head Office, Superintendent of Advances, Head Office, Superintendent of Branches, Head Office, Superintendent, Staff Dept., Head Office, Superintendent, Foreign Department, Head Office, Chief Development Officer, Head Office, Development Officers, Head Office and Branches, Superintendent, Advances Department, Bangalore Branch, Assistant Superintendent, Advances Dept., Head Office, Assistant Superintendent, Branches Dept., Head Office, Assistant Superintendent, Staff Dept., Head Office, Assistant Superintendent, Advances Department, Bangalore Branch, Managers, Sub-Managers, Accountants at Branches.	<p>(a) To endorse and transfer promissory notes, stock Receipts Stock Debentures, Shares, Securities and Documents of Title to Goods, standing in the name of or held by the State Bank of Mysore, to draw, accept and endorse bills of exchange and Cheques, to issue, confirm and transfer Letters of Credit, to sign Guarantees and Indemnities in the current and authorised business of the State Bank of Mysore and to sign all other letters, advices, accounts, receipts and documents connected with such business or other current or authorised business of the State Bank of Mysore.</p> <p>(b) To sign and verify plaints, written statements, petitions and applications to swear and affirm affidavit, to sign, seal and deliver bonds and generally to make and complete all other documents connected with legal proceedings on behalf of the State Bank of Mysore.</p> <p>(c) To operate on all accounts (existing and to be opened) of the State Bank of Mysore, with other Banks and Government Treasuries.</p>

II. Auditors, Head Office,		To sign letters advices, accounts, receipts, documents, connected with the current or authorised business of the State Bank of Mysore.
Personal Assistant to General Manager, Head Office,		
Personal Assistant to Deputy General Manager, Head Office, Superintendent, State Bank of India Agency Section, Head Office,		
Superintendent, Central Accounts, Head Office.		
III. Assistant Accountants at Branches		To endorse bills of exchange, cheques, documents of title to goods standing in the name of or held by the State Bank of Mysore, and to sign other letters, advices, accounts, receipts and documents connected with current or authorised business of the State Bank of Mysore, and to sign drafts not exceeding Rs. 10,000/- each.
IV. Trainee Officers		To sign letters, advices, accounts, receipts and to endorse cheques and drafts and to sign drafts not exceeding Rs. 10,000/-.
V. Special Assistants at Head Office and Branches .. .		To endorse Bills of Exchange and cheques, to sign advices, statements, certificates, etc., and to sign receipts for amounts not exceeding Rs. 5,000/-.
VI. Probationary Officers		To receipt Government credit vouchers for amounts not exceeding Rs. 500/-.
VII. Head Clerks at Branches		To receipt Government credit vouchers for amounts not exceeding Rs. 500/-.

T. R. SIVARAMAN,
General Manager

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
INDIA**

New Delhi-1, the 18th September 1969

No. 4-CA(1)/11/69-70.—In pursuance of Regulation 16 of the Chartered Accountants Regulations, 1964, it is hereby notified that in exercise of the powers conferred by clause (a) of Sub-section (1) of Section 20 of the Chartered Accountants Act, 1949, the Council of the Institute of Chartered Accountants of India, has removed from the Register of Members of this Institute on account of death, with effect from 9th August, 1969, the name of Shri Anil Sankar Gupta of 87, Dharamtalla Street, 3rd Floor, Calcutta-14, (Membership No. 6753).

No. 8-CA(1)/9/69-70.—In pursuance of clause (iii) of Regulation 10(1) of the Chartered Accountants Regulations, 1964, it is hereby notified that the certificate of practice issued to the following members shall stand cancelled for the period mentioned against their names, as they do not desire to hold their certificates of practice:—

S. Member- No. ship No.	Name and Address	Period during which the certi- ficates shall stand cancelled.
1. 4749	Shri Rameshchandra Maganlal Desai A.C.A. Master Tikamdas Mansion, 95-B, Indranarayan Street, Santacruz (West), BOMBAY-54.	18-8-1969 to 30-6-1970
2. 9409	Shri C. A. Mohamed Yasin, A.C.A. 157, Shaik Maistry Street, Royapuram, MADRAS-13.	30-8-1969 to 30-6-1970

The 19th August, 1969

No. 4-CA(1)/12/69-70.—In pursuance of Regulation 16 of the Chartered Accountants Regulations, 1964, it is hereby notified that in exercise of the powers conferred by clause (a) of sub-Section (1) of Section 20 of the Chartered Accountants Act, 1949, the Council of the Institute of Chartered Accountants of India, has removed from the Register of Members of this Institute on account of death, with effect from the dates mentioned against their names, the names of the following gentlemen:—

S. Member- No. ship No.	Name and Address	Date of Removal
1. 1977	Shri C. S. Ramanujam, 10, South Usman Road, T'Nagar, MADRAS-17.	15-6-1969
2. 8000	Shri Punnoose Kovoor, 10, 2nd Street, Saint Colony, Egmore, MADRAS-8.	5-6-1969

C. BALAKRISHNAN
Secretary

INDUSTRIAL DEVELOPMENT BANK OF INDIA

Bombay, August 1969

Report of Directors for the year ended June 30, 1969, submitted to the Reserve Bank of India in terms of Section 23(5), and to the Central Government and the Reserve Bank of India in terms of Section 18(5) of the Industrial Development Bank of India Act, 1964.

(As on June 30, 1969)

BOARD OF DIRECTORS

SHRI L. K. JHA (Chairman)
SHRI A. BAKSI (Vice-Chairman)
SHRI B. N. ADARKAR

SHRI J. J. ANJARIA
 SHRI P. N. DAMRY
 SHRI S. J. KIRLOSKAR
 SHRI BHASKAR MITTER
 SHRI V. N. PURI
 SHRI J. RAMDAVE ROW
 PROF. C. N. VAKIL
 SHRI N. A. PALKHIVALA
 SHRI P. L. TANDON
 SHRI ARVIND N. MAFATLAL
 SHRI G. BASU
 SHRI C. P. N. SINGH
 PROI. M. MUJEEB
 DR. V. SHANMUGASUNDARAM
 SHRI KAMALJIT SINGH
 SHRI D. C. KOTHARI
 DR. I. G. PATEL

PRINCIPAL OFFICERS*General Manager :*

SHRI P. K. DASGUPTA

Joint General Manager :

SHRI R. A. GULMOHAMED

Legal Adviser :

SHRI R. M. HALASYAM

*Deputy General Managers :**Operations :*

SHRI B. N. MALHOTRA

Appraisal :

SHRI D. SHARMA

Technical :

SHRI M. G. MENON

*Managers :**Refinance :*

SHRI A. N. VIJ

Operations :

SHRI N. K. SEAL

SHRI B. K. SARKAR

SHRI D. C. WADHWA

Appraisal :

SHRI M. R. B. PUNJA

Export :

SHRI D. P. GUPTA

Economic & Planning :

SHRI Y. S. KEDARE

LETTER OF TRANSMITTAL

Industrial Development
 Bank of India,
 Bombay.

September 6, 1969
Bhadra 15, 1891 (Saka)

The Governor,
 Reserve Bank of India,
 Central Office,
 Bombay.

Dear Sir,

In accordance with the provisions of Section 23(5) and 18(5) of the Industrial Development Bank of India

Act, 1964, I forward herewith the following documents :—

(1) A copy each of the Annual Accounts of the General Fund and the Development Assistance Fund of the Industrial Development Bank of India for the year ended June 30, 1969;

and

(2) a copy of the Report of the Board on the working of the Development Bank, including that of the Development Assistance Fund during the year ended June 30, 1969.

Yours faithfully,
A. BAKSI
Vice-Chairman

LETTER OF TRANSMITTAL

Industrial Development
 Bank of India,
 Bombay.

September 6, 1969
Bhadra 15, 1891 (Saka)

The Secretary to the Government of India,
 Ministry of Finance,
 Department of Economic Affairs,
 New Delhi.

Dear Sir,

In accordance with the provisions of Section 18(5) of the Industrial Development Bank of India Act, 1964, I forward herewith the following documents :—

(1) A copy of the Annual Accounts of the Development Assistance Fund for the year ended June 30, 1969;

and

(2) a copy of the Report on the working of the Development Assistance Fund, which forms part of the Report of the Board on the working of the Development Bank during the year ended June 30, 1969.

Yours faithfully,
A. BAKSI
Vice-Chairman

REPORT OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BANK OF INDIA

For the year July 1, 1968—June 30, 1969

THE ECONOMIC SETTING

The main features of the economic scene during the year under review were some recovery in industrial output after the recessionary phase of the previous two years, an upswing in exports, a slowdown in the progress of agriculture, and an inflationary pressure in the later months. The recovery in industrial production, which had started in the beginning of 1968, gained momentum during 1968-69 (July-March) in the wake of the revival of demand stemming from higher agricultural incomes, Government's developmental outlays and increase in exports. The export performance was encouraging, particularly of non-traditional items, such as engineering goods, iron and steel and chemicals. This, together with an appreciable fall in imports resulted in a substantial improvement in the external payments position. Overall agricultural production is anticipated to show a marginal decline from the 1967-68 record crop; among commercial crops, while the outturn of sugarcane was higher, the output of jute, oilseeds and cotton was lower than in the previous year, leading to a marked rise in their prices. Real national income is estimated to have increased by 3 per cent in 1968-69 (April-March) against

a rise of 8.9 per cent in 1967-68 and 1.1 per cent in 1966-67. The rise in monetary resources (currency with the public and aggregate bank deposits) of over 13 per cent exceeded the expansion in real output. Wholesale prices remained on the whole stable upto end of January 1969 but rose sharply thereafter to record a net rise of about 11 per cent over the year, more than half of which was accounted for by the rise in prices of industrial raw materials.

2. Industrial output, which had moved up by 4.2 per cent in the period January-June 1968 over the corresponding period of 1967, rose by 6.7 per cent during July 1968-March 1969. Industries accounting for about 75 per cent of the weightage in the general index (*base 1960 = 100*) recorded increases in output; these included a few basic industries like fertilisers, cement, non-ferrous metals, electricity generation and iron and steel, certain capital goods like motor vehicles, machinery components and accessories, prime movers, boilers and steam-generating plants, and several consumer goods like sugar, paper and paper products, electrical appliances, radio receivers, motor cycles and bicycles. However, other industries covering the residual 25 per cent of the weightage, comprising mainly railroad equipment, mining, earth-moving and construction machinery, electrical cables and insulated wires, which had been affected by the recession, showed further declines in output, though at a slower pace.

3. The progress of industrial recovery pointed towards a better climate for investment, but there appeared to be no material improvement in new investment activity in the private sector of industry. New capital issues, a major indicator of private investment activity, were much smaller than in 1967-68. This was not due to paucity of resources. The surplus of investible funds in the hands of the public and institutions like the LIC and Unit Trust coupled with a scarcity of scrips led to an unhealthy spurt in share prices, which, however, came to be halted towards the close of the year following the ban on forward trading in shares imposed by Government. The basic cause for the sluggishness of new investment must be said to be the lack of entrepreneurial activity. Among the factors that contributed to it were the absence of positive guidelines for new investment due to the delay in the finalisation of the Fourth Plan (1969-74), the impact of the recessionary trends which had afflicted large sectors of the industrial economy and the unsatisfactory state of industrial relations in many parts of the country.

4. Among the fiscal and financial measures taken by the Central Government during the year in the industrial sphere were the raising of the limit on exemption from personal income-tax on dividend income from Rs. 500 to Rs. 1,000, the extension of the tax holiday concession for new industrial undertakings for a further period of five years from April 1971, the inclusion of cotton and jute textiles in the list of priority industries for claiming a higher development rebate, and relaxations in the control over capital issues. In the field of exports, apart from the reduction in export duties on jute goods and the grant of additional cash assistance for certain items of exports, the Government granted to industrial units, which exported at least 10 per cent of their output in 1968, facilities for import from preferred sources of supply and for expansion of their production capacity. To facilitate quicker disposal of applications for foreign collaboration, the Government constituted a Foreign Investment Board, with powers to deal with applications involving total investment and foreign participation in equity capital below specified limits; simultaneously, the Government also issued illustrative lists of industries in which foreign investment and/or foreign technical collaboration would be permitted.

5. The Reserve Bank continued its policy of liberalised credit to priority sectors viz. small-scale industries, agriculture and exports. To help the growth of agriculture and industry, it also advised banks to invest their surplus funds in long-dated trustee securities of institutions, such as the bonds of State Electricity Boards, Industrial Financial Corporations and Land Mortgage Banks.

POLICIES AND OPERATIONS OF THE IDBI

6. The operations of the IDBI continued to fall under the familiar main heads of (a) direct rupee loans to industry, (b) guarantee of deferred payments due from industries to parties abroad, (c) underwriting of, and subscription to, issues of share capital and debentures by industrial concerns, (d) refinancing of loans given by banks and other financial agencies to industry, (e) subscriptions to share and bond issues of other financial institutions, (f) financial assistance in rupees on a term basis for exports of capital and producer goods and services and (g) rediscounting of domestic machinery bills. But in response to the requirements of the industrial and economic situation certain deliberate changes and adaptations of policy, attitude and procedure were effected during the year.

7. So far as direct term lending to industry and debenture issues by industrial concerns are concerned, institutions at the all-India and State levels had a surplus of funds over investment demands. In view of this the IDBI, consistent with its role as the apex body in term lending, showed less keenness than in earlier years to be a substantial lender to every large enterprise which looked for institutional funds. The Bank kept watch over every project that came to its notice, and helped actively, in fact often took the initiative, in arranging for the necessary finance. But whenever other institutions or banks willingly came forward with their money the IDBI allowed them to have precedence and was content to be the lender of the last resort. To certain important projects, the IDBI sanctioned initially the whole of the institutional assistance needed, but subsequently scaled down its sanction as other financial agencies came forward with their own offers of assistance. While this new practice resulted in the aggregate of effective sanctions of direct loan and debenture underwriting of the IDBI being smaller than it need have been, other term institutions and banks got better scope for deploying their surplus, the origin of a large portion of which was the saving of the public.

8. In every project brought up by large, well-established groups with which the IDBI had to deal during the year, it tried to induce the promoters, first, to put in as much of their own money and, second, raise as much money from the public as they genuinely could so that institutional assistance to them to a degree greater than warranted by the needs of the situation could be avoided. This approach involved time-consuming persuasion to induce such promoters to increase their contribution and established companies embarking on expansion or diversification to issue further equity capital in the form of rights shares and/or new shares to the public. Certain existing companies with conservative equity : debt ratios which came for large loans were also advised to resort instead to the issue of debentures in the market in view of the facts that the public had ample money for investment and the share markets needed more scrips on their lists. It is not as if every approach on these lines has received prompt response from the entrepreneurs, but the efforts have been continued.

9. In refinancing term loans to industry given by other financial bodies, particularly the State Financial Corporations (SFCs), the IDBI adopted a more active role than before. It developed closer relations with such

bodies and refinanced, at a specially low rate of interest, term loans given by them to small-scale industries. By different means such as offer of financial participation and expert advice on matters of technology and marketing, the Bank also strove to induce the SFCs to take more interest in many small and small-medium ventures than in a few relatively large projects sponsored by well-known groups to which all-India institutions could obviously do better justice. Opportunities were also taken to encourage SFCs to pay more attention to the relatively underdeveloped areas in the respective States.

10. In the field of assistance to term exports, while the earlier refinancing scheme was retained and gathered momentum the Bank introduced a new scheme during the year to enable Indian exporters of capital and engineering goods and services to compete more effectively in the international markets. Under the new scheme the Bank provides direct term-finance at a low rate of interest to exporters in collaboration with commercial banks, with itself as the major participant in the risk. The Bank also participates with commercial banks in the issue of guarantees on behalf of the exporters. A new department, exclusively for financing and refinancing of term exports, was established during the year. In consultation with the Export Credit & Guarantee Corporation Ltd. and the participating banks and where necessary with the Government of India, the department assists exporters in formulating competitive financial terms to be offered to importers abroad, particularly where large turn-key projects are involved.

11. The scope of the scheme of rediscounting machinery bills was widened to include machinery sales to public sector industries, electricity undertakings and road transport corporations. Reduction in the cost of credit under the rediscounting scheme was secured with the co-operation of the discounting bankers who cut down their discounting rates by 1 per cent, giving the purchaser of machinery a benefit of more than 1 per cent in effect.

12. A new dimension to the policy of the IDBI was added by the decision to assist expansion and diversification schemes of industrial undertakings in the public sector qualifying under certain general and specific criteria. It is hoped that the coming of certain selected public sector undertakings, which hitherto had relied on budgetary allocations, under the scrutiny and discipline of the Bank will enable the latter to contribute towards improving their operations and efficiency. It is also expected that in the wake of this decision, State Industrial Development Corporations (SIDCs), set up by different State Governments as wholly owned limited companies to promote and nourish public sector projects of various sizes, will gradually come to work in closer co-operation with the IDBI.

13. Special care was taken during the year of a few medium-sized projects of technician entrepreneurs who did not have substantial private support to fall back on. Much more time and attention than normal was devoted to these projects in giving them viable shape. The IDBI and other agencies working with it provided these entrepreneurs with a very high proportion of the total costs of the projects and rendered them safe from the risk of being taken over by big financiers. One such project was in the line of fertilisers and another in that of electronics.

14. During the year under review, the Bank took a decision to set up four regional offices at Bombay, Calcutta, Delhi and Madras. These offices, manned by adequate complements of staff and having regional advisory boards attached to them, will function with a fair degree of autonomy, and finally sanction and disburse

assistance to projects of a regional, as distinguished from an all-India, significance. They should also be of considerable help to the IDBI in establishing closer relations with state Governments, State level financial and industrial agencies and associations concerned with development and offices of banks. They will also facilitate the establishment, later, of branch offices of the IDBI in other State capitals or State industrial centres. Recruitment of new technical and financial staff at different levels is under way and the Bank expects to open the four regional offices before the end of 1969. One of the main objectives underlying the decision for decentralisation is that the IDBI should be able to discover many more actual and potential growth points in different parts of the country every year and feed them with financial assistance in a direct or indirect manner and give them advice on technological, marketing, management and allied problems. A very recent decision of the IDBI, taken in July 1969, to give financial assistance on softer terms to deserving small and small-medium projects in relatively underdeveloped areas should help the policy of decentralisation acquire deeper meaning and content. It will also be possible for the IDBI to make increasing use of the profession of independent consultants some of whom are doing good specialised work in technology, designing, marketing and management.

Some of the changes in policy and procedure outlined above are narrated in detail later in this Report.

Overall Position

15. Table 1 summarises the operations of the IDBI during 1968-69 and 1967-68. As compared to 1967-68, total sanctions† of assistance during the year under review increased by 67 per cent and total disbursals by 9 per cent. The relatively low increase in the figure of disbursals is mainly accounted for by the facts that the aggregate of sanctions in 1967-68 was much smaller than in earlier years and the recession in the economy started lifting only in the second half of the year under review.

16. Total sanctions† in various forms (excluding guarantees) during 1968-69 amounted to Rs. 67.5 crores on 483 applications* as compared to Rs. 40.3 crores in respect of 200 applications during 1967-68. The increase in the amount sanctioned was mainly on account of refinance of industrial loans and export credits, and direct lending for exports. Total disbursals increased from Rs. 44.7 crores to Rs. 48.7 crores. Besides, two guarantees for a sum of Rs. 61 lakhs were sanctioned during the year.

17. In the first five years of its existence, the IDBI has sanctioned† assistance in various forms, both direct and indirect, aggregating Rs. 277.7 crores and disbursed Rs. 227.7 crores. Direct assistance in the form of loans (other than for exports) and under writing sanctioned to 102 industrial concerns aggregated Rs. 119.0 crores out of their total project cost of Rs. 734 crores; out of the Rs. 119.0 crores, a sum of Rs. 73.0 crores was sanctioned to new units and Rs. 46.0 crores to existing units for expansion, modernisation or diversification. Refinance provided against industrial loans aggregated Rs. 85.9 crores covering 826 projects with a total capital cost of Rs. 310 crores. Assistance under the rediscounting scheme totalled Rs. 37.3 crores, benefiting 107 machinery manufacturers and 518 purchaser-users of machinery.

* Applications for each type of assistance is treated as a separate application. In respect of subscriptions to shares and bonds of financial institutions, it relates to the number of institutions; and in respect of rediscounting of machinery bills, to the number of manufacturers who availed of the facility under the scheme.

† Effective Sanctions.

TABLE I—ASSISTANCE SANCTIONED AND DISBURSED BY THE IDBI DURING THE TWO YEARS 1968-69 AND 1967-68
(JULY—JUNE)

(In crores of rupees)

	Assistance Sanctioned		Assistance Disbursed		Total since receipt of IDBI in July 1964		Outstanding Assistance outstanding as on commitments at the end of June 1969+ 30, 1969	
	1968-69	1967-68	1968-69	1967-68	Sanctioned	Disbursed	at the end of June 1969	June 30, 1969
1. Direct loans to industrial concerns other than for exports ..	16.0 (16.0)	17.1 (14.6)	15.3	18.0	109.4 (100.9)	73.9	27.0	71.4
2. Direct loans for exports ..	6.5 (6.5)	—	—	—	6.5 (6.5)	—	6.5	—
3. Underwriting of and direct subscription to shares, debentures, etc. of industrial concerns ..	2.4 (2.4)	2.1 (1.2)	1.6	1.1	21.3 (18.1)	13.6	3.1	13.6
4. Refinance of industrial loans ..	15.2 (15.1)	10.1 (9.8)	11.6	10.8	92.9 (85.9)	84.4*	12.7*	61.6*
5. Refinance of export credits ..	7.5 (7.5)	0.3 (0.3)	2.5	0.3	10.0 (9.2)	4.0	5.2	2.4
6. Rediscounting of bills@ ..	15.5 (15.5)	12.4 (12.4)	13.3	10.6	37.3 (37.3)	32.1	—	26.8
Total of 1 to 6 ..	63.1 (63.0)	42.1 (38.4)	44.3	40.8	277.5 (258.0)	208.0	54.6	175.8
7. Subscriptions to shares and bonds of financial institutions* ..	4.5 (4.5)	1.9 (1.9)	4.5	3.9	19.7 (19.7)	19.7	—	19.7
Total of 1 to 7 ..	67.6 (67.5)	44.0 (40.3)	48.7	44.7	297.1 (277.7)	227.7	54.6	195.4
8. Guarantee for loans and deferred payments ..	0.01 (0.01)	—	0.01**	5.4**	95.4 (24.2)	19.0**	17.3@@	—
9. Advance payment guarantee (exports) ..	0.6 (0.6)	—	—	—	0.6 (0.6)	—	—	—

Note : Figures within brackets indicate net effective sanctions, i.e., gross sanctions minus subsequent reductions/cancellations of sanctions.

† Comprising (i) effective sanctions minus (a) disbursements under loans, refinance and underwriting assistance and direct subscription and (b) shares and debentures taken up by the public in respect of underwriting assistance and (ii) bills on hand in respect of rediscounting.

‡ Including refinance assistance sanctioned by the Refinance Corporation for Industry upto the end of August 1964.

@ While sanctions/outstanding relate to face value of bills, disbursals are exclusive of discount.

* Excluding purchase of shares of the IFCI for Rs. 417.30 lakhs but inclusive of assistance to the ICICI.

** Relates to guarantees executed.

@@ Relates to outstanding liabilities in respect of guarantees executed.

18. A detailed review of IDBI's operations in respect of the various types of assistance is given below :

**DIRECT ASSISTANCE TO INDUSTRIAL CONCERNS
(OTHER THAN FOR EXPORTS)**

19. Under direct assistance, the IDBI, while continuing to process applications from big projects, gave special attention to a number of small and small-medium projects which had not received quick consideration in other financial bodies. It also took particular initiative in assisting three projects promoted by technicians who had no previous industrial experience and/or were located in the less developed areas, which might not have found ready support from other institutions. To one of these, special concessions were given in the form of direct subscription to share capital to relieve the new entrepreneur of the burden of underwriting commission and brokerage, waiver of the usual commitment charge and a longer moratorium for repayment of loan.

20. As already mentioned, the IDBI pursued more vigorously the policy of sanctioning direct assistance on an overall basis to cover the entire genuine requirements of large and important projects to enable their promoters to feel assured and proceed with the tying-up of other arrangements, before settling the shares of assistance and other ancillary details with other term-financing institutions and banks. As the apex institution with budgetary allocations as an important source of its funds, the IDBI strove to allow a greater share of assistance to the participating institutions in the light of their prevailing surplus resources partaking the nature of genuine savings of the community. On a number of projects it permitted the other financial institutions to take over the bulk of the financing. In a few cases which were under processing in the IDBI, it came to notice that other institutions would between them like to take over the whole of the financing; the latter were allowed to have their way.

21. There was no opportunity during the year for sanctioning assistance to any large, new project in a basic industry. The dampening effects of the recession which lasted for about two years on the launching of ambitious, big enterprises had not completely disappeared. Sanctions of assistance given in 1965-66 and 1966-67 to two large alloy steel projects had to be cancelled because the entrepreneurs were seen to be unable to proceed with implementation. A few large fertiliser projects, involving foreign collaboration in one shape or another, were under preliminary discussion or detailed examination at the end of the year. One large fertiliser project assisted earlier went into production during the year and another such took active steps to substantially expand the present production.

22. Mention may be made here of certain problems which the IDBI is encountering in its examination of large projects. These problems arise mainly out of initial disparities in attitude as between the entrepreneurs and the term-financing institutions to the questions how much financial contribution the entrepreneurs should make to their projects and what they should be entitled to out of the operation of these apart from dividends out of profits. Generally speaking, the attitude of the Bank towards any sound project of priority is to ensure that it does not languish for lack of resources. Equally, the Bank is anxious to ensure that the resources which are at its disposal are only drawn upon to the minimum extent necessary and that they should not be a substitute for resources which could be mobilised out of the savings of the community. Large projects of the capital cost of Rs. 5 crores or somewhat more and very large projects costing Rs. 10, 20, 30 crores or more fall broadly in two groups : new projects, and projects for expansion or diversification,

New projects of a large or very large size in the private sector are invariably seen to be sponsored by one or another of the well-known groups. Large or very large projects for expansion or diversification can be taken up only by well-established companies of a certain minimum size. In dealing with large or very large projects a good deal of time is taken in convincing established companies or well-known entrepreneurial groups on the desirability of their increasing their own participation in risk capital to a reasonable level, of not relying on borrowings too heavily, of having recourse in cases of expansion or diversification of well-known companies to the issue of rights shares. All too often their attempt is to seek the maximum possible contribution from institutions and to rely on such forms of financing as would maintain their position of strength in the company without a commensurate contribution from their own resources. This trend seems to have been accentuated by the process of terminating managing agencies which enabled the entrepreneurial group to retain its control over the affairs of a company regardless of the pattern of its equity holding and also enabled it to reap certain benefits which the ordinary shareholders of the company did not enjoy. With a view to ensuring the latter, even after managing agencies have disappeared, various other devices such as exclusive sales agency, management consultancy fees and part-time multiple working directorships to be preserved for the entrepreneurial group are being pressed for. While the IDBI recognises that entrepreneurship must earn a reward, that services such as management and sales where necessary in the interests of the company must get their dues, the present trends suggest that often attempts are being made to impose an even heavier burden on companies than that of erstwhile managing agencies. The IDBI has, therefore, had to resist such arrangements. Unfortunately its experience is that the convincing of the entrepreneurs or the established companies often takes an inordinately long time, the execution of projects ready on paper is delayed and, while in the majority of cases some kind of compromise is reached, a few projects do not take off the ground at all. This is a matter on which deeper thinking by the business community and others concerned is needed.

23. Problems of the kind mentioned in the foregoing paragraph would have been impossible of solution had the IDBI been the only institution in the field. The fact that there is a forum where the four all-India term institutions can meet and discuss common problems has been of great advantage. The forum is the monthly inter-institutional meetings of the senior executives of the IDBI, the IFCI, the ICICI and the LIC for informal exchange of views on financial, technical and other aspects of specific projects as also policy matters generally. These meetings have helped in processing applications of major projects in a co-ordinated manner without avoidable delay and in devising procedures for quicker disbursal of the assistance sanctioned. A good deal of routine, but indispensable, business is also transacted at these meetings. For the convenience of the borrowers, certain procedures were evolved during the year to facilitate the expeditious grant of approvals by the participating institutions in respect of joint assistance. Thus, the IDBI has now been authorised to accord, on behalf of the other participating all-India term-lending institutions, approval to an assisted concern for sale or disposal of its assets charged to the institutions. Also, in respect of two major fertiliser projects, assisted by the IDBI and a number of financial institutions (and banks), the IDBI has been authorised to give, with or without prior consultations, the necessary approvals in respect of several matters in accordance with agreed principles and procedures. The inter-institutional meetings offer an opportunity for continual exploration of the feasibility of the four term institutions reducing their detailed procedural and legal requirements to a common base and authorising one of the four institutions, wherever practicable, to act on behalf of the other participants.

24. One major aspect of policy, to which reference has been made earlier, related to the decision to selectively extend the IDBI's direct assistance to the public sector. The Bank is now agreeable to consider on merits applications for direct financial assistance of a moderate size for purposes of expansion or diversification from existing companies in the public sector, which have declared at least a maiden dividend and have sufficient internal resources to finance part of the new programmes, provided they do not resort to the Government concerned for any finance, and submit to the normal scrutiny and discipline of the IDBI. A few significant enquiries have already been received from public sector undertakings. The IDBI's indirect assistance, it may be mentioned, is already available to public sector projects, both as sellers and purchasers of machinery, under its scheme for rediscounting of machinery bills. In the sphere of exports too, the IDBI's scheme for direct finance for exporters as well as its scheme for refinancing of medium-term export credit cover industrial concerns in the public sector.

25. When the IDBI Bill was passed in Parliament in early 1964 it was known that projects in both the private and public sectors would be eligible for its assistance. In the initial years there was no pressing demand on the IDBI from public sector projects. Lately, some of them, particularly those owned by State Governments, have been anxious to have access to the IDBI. It is only natural that with the passage of years projects, initially set up with funds from Governments' budgets, should for purposes like acquisition of new equipments for replacement, expansion and diversification, while meeting a part of their needs from the resources they generate internally, seek term assistance from financial institutions just as they borrow working capital from commercial banks. The norms of scrutiny safeguard and surveillance to be applied to the public sector will be no less strict than those applied to the private sector. The object of the IDBI, in both the sectors, is to help increase the production of goods and services for the community as a whole. Furthermore, the volume of assistance to the public sector and the size of the projects to be financed will naturally de-

pend upon the availability of resources and the totality of the claims upon them.

26. During 1968-69, the IDBI received 45 applications for loan, underwriting and guarantee assistance from 34 industrial concerns for Rs. 50.0 crores*; in 1967-68, for 36 applications from 26 industrial concerns, the amount applied for was lower at Rs. 12.9 crores.* It sanctioned, in the year under review, assistance on 29 applications covering 23 industrial projects for Rs. 18.4 crores in the form of 17 loans for Rs. 16.0 crores, 11 underwriting arrangements for Rs. 2.4 crores (including rights issues for Rs. 6.6 lakhs) and one deferred payment guarantee for Rs. 1.05 lakhs; in 1967-68, the Bank had sanctioned direct financial assistance on 22 applications in respect of 18 projects for Rs. 15.8 crores, involving 13 loan operations for Rs. 14.6 crores and 9 underwriting arrangements for Rs. 1.2 crores. No guarantee assistance needed to be sanctioned during 1967-68. A list of industrial projects to which assistance was sanctioned during the year is given in Annexure I(A).

27. The loan and underwriting assistance of the IDBI during 1968-69 may now be analysed in some detail. The Bank's operations in this sphere lend themselves to classification in three broad categories: (i) assistance to new projects, and existing units for purposes of expansion/modernisation/diversification, which constitutes new investment in industry, (ii) supplementary assistance to industrial concerns facing financial difficulties (for various reasons such as over-run in project costs arising from devaluation of the rupee, delays in implementation, utilisation of short-term borrowings for acquisition of fixed assets etc.), which could not arrange for additional term-finance from other sources, and (iii) subscription to rights issues by assisted concerns arising from earlier commitments. Table 2 shows the breakdown of IDBI's direct assistance sanctioned during 1968-69 and 1967-68 under the above categories. In 1968-69, in the prevailing situation, the Bank also devoted considerable attention to affording relief to industrial concerns facing genuine

TABLE 2—DETAILS OF DIRECT FINANCIAL ASSISTANCE SANCTIONED DURING 1968-69 AND 1967-68

(In crores of rupees)

	Assistance Sanctioned									
	No. of projects		Loan		Underwriting		Guarantee		Total	
	1968-69	1967-68	1968-69	1967-68	1968-69	1967-68	1968-69	1967-68	1968-69	1967-68
1. Assistance to new projects and schemes for expansion/diversification/rationalisation .. .	14	15	8.3	13.5	2.1	1.1	0.01	—	10.4	14.6
2. Supplementary assistance to industrial concerns* .. .	9	3	7.7	1.1	0.2	0.03	—	—	7.9	1.1
3. Subscriptions to rights issues by assisted concerns .. .	—	—	—	—	0.1	0.03	—	—	0.1	0.03
Total ..	23	18	16.0	14.6	2.4	1.2	0.01	—	18.4	15.8

*The figures of assistance sought from the IDBI in the two years 1967-68 and 1968-69 are not strictly comparable; in some applications, the promoters quote the figure of aggregate institutional assistance needed from the four institutions and the amount of assistance needed from IDBI is not specifically indicated.

*That is, assistance for (1) meeting overruns in the project costs arising from devaluation of the rupee, delays in implementation, shortfall in estimated cash resources, etc. (2) relieving strain on cash resources of companies which had earlier utilised working capital funds for acquisition of fixed assets, etc.

financial difficulties so as to assist in a quicker implementation of the projects already under way and a fuller utilisation of existing industrial capacity. In respect of two concerns, IDBI's loan assistance is intended to enable them to meet their repayment obligations to foreign financial institutions on the due dates.

28. One indication of the financial difficulties experienced by industrial borrowers is provided by the extent of defaults in payment of interest and repayment of principal. It was mentioned in the last Report that 3 companies had defaulted in the payment of interest for Rs. 4.1 lakhs; these companies continued to default also during the year under review. In addition, 3 more companies defaulted in the payment of interest during 1968-69. The total interest due from these companies at the end of June 1969 amounted to Rs. 21.4 lakhs. The schedule of repayment was revised in respect of 2 companies at their request. Six companies defaulted in the repayment of loan instalments and their requests for deferral of payment were under consideration at the end of the year.

29. Mention may be made here of the policy initiated in the last quarter of the year of selling gradually shares which the IDBI had taken up in earlier years in fulfilment of its underwriting commitments and were quoted very substantially above par. This was intended to relieve to an extent the then relative shortage of good scrips on the stock exchanges and help achieve a wider dispersal of shares among the public. There was no intention of selling any particular share in large quantities in a short time nor of selling shares in any company which was not yet in production and would not be in production shortly. All sales were effected through recognised brokers in relatively small lots against offers of purchase at the then current prices.

Follow-up Inspection of Assisted Companies

30. During the year, the IDBI continued to receive periodical progress reports in prescribed forms from the assisted companies. Inspections of, and visits to, 21 assisted concerns were undertaken during the year for ascertaining the progress made in implementation. Maintenance of contact with all assisted projects in different parts of the country from the one office in Bombay has not been at all easy. The position is expected to improve with the recruitment of additional technical and financial personnel and the opening of four regional offices.

DIRECT LOANS AND GUARANTEES FOR EXPORTS

31. The IDBI has been administering since September 1964 a scheme for refinancing of medium-term export credits granted by commercial banks to exporters (the scheme was introduced by the erstwhile Refinance Corporation for Industry Ltd. in January 1963). Under this scheme, the risk is borne entirely by the borrowing banks themselves for periods up to 10 years. While this scheme continues to have its use, the IDBI felt that with the emphasis on the need for export of capital and producer goods continually growing and the amounts of credits required on a term basis by intending manufacturers/exporters coming to be larger, it had to step up and deepen its commitment in this field. Otherwise, the commercial banks might not by themselves be able or willing to carry large risks and provide the entire term-finance and guarantee facilities required by exporters even with IDBI's refinancing assistance. The Bank, therefore, introduced, effective December 6, 1968, a new scheme to operate alongside the existing refinancing scheme. Under the new scheme, the Bank enters into participation arrangement with eligible commercial banks for providing term-finance and guarantee facilities to industrial concerns, both in the public and private sectors, for exports of capital and engineering goods and services. The scheme

provides for export credits both during the pre-shipment and post-shipment stages for periods exceeding 6 months, and performance and financial guarantees on behalf of exporters. The IDBI charges 4½ per cent on its portion of the export credit and the participating bank its own rate on its portion not exceeding 6 per cent—the ceiling rate prescribed by the Reserve Bank of India; this ensures credit to the exporter at a flexible and relatively low rate depending on the extent of IDBI participation which is determined, on the merits and needs of each case, in consultation with the concerned banks.

32. Under the scheme, the IDBI received up to the end of June 1969, 7 applications for participation in credit facilities amounting to Rs. 14.7 crores in respect of exports of various types of capital and engineering goods and services, of which 2 applications for Rs. 10.8 crores were sanctioned, in participation with two commercial banks, the IDBI's share being Rs. 6.5 crores. These covered export of transmission line towers, copper and ACSR conductors and railway track materials to Iran. The IDBI has also agreed to issue an advance payment guarantee facility for Rs. 1.2 crores in participation with a commercial bank, the IDBI's share being Rs. 60.1 lakhs [vide Annexure I(B)]. The IDBI has also agreed, in principle, to provide assistance in respect of 12 export proposals, the estimated total value of the export tenders covered being Rs. 70 crores. The remaining five applications for Rs. 3.9 crores relating to exports to the UAR were being processed at the end of June 1969. While the volume of business financed and under negotiation in a period of less than 7 months is not small, the Bank hopes that this will increase very substantially in future.

33. During the year under review a separate department has been set up to meet the term finance needs of the industrial exporters by way of refinancing and direct finance. The officers of the department maintain contact with actual and potential exporters of capital goods in different parts of the country as well as with banks, the Central Government and the Export Credit & Guarantee Corporation. Three officers of the Bank have already visited Japan to study the financing of exports from that country and one is now in the Federal Republic of Germany mainly for a similar purpose.

ASSISTANCE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

34. The IDBI's assistance to banks and other financial institutions covers (i) refinancing of industrial loans and export credits given by eligible institutions, (ii) rediscounting of bills/promissory notes arising out of sales of indigenous machinery on deferred payment basis and discounted by banks, and (iii) subscribing to the shares and bonds of eligible term-lending institutions (SFCs, IFCI and ICICI) to enable them to expand their activities.

35. The operation of the two schemes of refinancing viz. (a) the scheme for refinancing of industrial loans and (b) the scheme for refinancing of export credit is reviewed below.

Refinancing

(i) Scheme for refinancing of industrial loans :

36. Reference was made in the last year's Report to several measures taken during 1967-68 for widening the scope and reducing the cost of refinancing facilities to augment the flow of funds to industry. These were (i) lowering the normal and concessional interest rates by ½ per cent to 6 per cent and 5½ per cent, the latter rate being applicable to those cases in which the institution lending directly did not charge a rate of more than 8½ per cent, (ii) reduction in the minimum limits of re-

finance from Rs. 1 lakh to Rs. 20,000 on loans to small-scale industries covered under the Government's Credit Guarantee Scheme and from Rs. 5 lakhs to Rs. 2 lakhs on other loans, and (iii) introduction of a special concessional rate of 4½ per cent for refinance of loans to small-scale units covered under the Government's Credit Guarantee Scheme, with a ceiling on the lending institution's rate of 8 per cent. To induce banks and State-level financial institutions to assist small road transport operators, the IDBI also started during the year refinancing loans extended to this sector by eligible financial agencies, without the stipulation regarding a Credit Guarantee cover, at rates of interest applicable to indus-

trial concerns other than small-scale units, i.e. at 6 per cent or 5½ per cent.

37. The Bank's operations under the scheme during 1968-69 are set out briefly in Table 3. There was a marked rise in the flow of applications as well as in the sanction of refinance assistance. Total refinance sanctioned against industrial loans rose from Rs. 9.8 crores on 114 applications during 1967-68 to Rs. 15.1 crores on 335 applications, the average size of the loan refinanced falling from Rs. 8.6 lakhs to Rs. 4.5 lakhs. Refinance disbursed was also higher at Rs. 11.6 crores as compared to Rs. 10.8 crores in 1967-68.

TABLE 3—REFINANCING OF INDUSTRIAL LOANS

(Amount in crores of rupees)

	1968-69 (July—June)		1967-68 (July—June)		Since RCI June	inception in 30, 1958 upto 1969
	No.	Amount	No.	Amount	No.	Amount
1. Applications received	426	21.5	168	15.1	1781	224.4
2. Applications sanctioned*	336	15.2	117	10.1	13.02	152.0
3. Applications pending consideration (end of period)	156	12.0	94	8.2	156	12.0
4. Net effective sanctions	335	15.1	114	9.8	1218	136.6
5. Refinance disbursed		11.6		10.8		123.9
6. Repayment of refinance		14.4		19.2		62.3
7. Applications rejected/withdrawn/returned	28	2.5	59	10.3	323	56.2
8. Amount outstanding (end of period)		61.6		64.4		61.6
9. Undisbursed sanctions (end of period)		12.7		9.8		12.7

Note : Figures in this table relate to refinancing of industrial loans only and do not include export credits. *Gross sanctions.

38. Table 4 gives the institution-wise breakdown of refinance of industrial loans. Commercial banks have not been availing of much IDBI refinance for term assistance to small-scale industries. But SFCs, which operate at

the State level to promote regional industrial growth have been resorting more and more to the IDBI for this purpose. As already mentioned, to provide the appropriate incentives in this regard, the IDBI introduced, in March

TABLE 4—INSTITUTION-WISE BREAKDOWN OF INDUSTRIAL LOANS REFINANCED

(In crores of rupees)

	1968-69		1967-68		Amount outstanding as on June 30, 1969
	Amount sanctioned*	Amount disbursed	Amount sanctioned*	Amount disbursed	
Commercial banks	6.1 (40.1)	5.1 (44.0)	5.3 (52.5)	6.5 (60.2)	38.2 (62.0)
State co-operative banks	—	—	—	0.4 (3.7)	2.8 (4.5)
State Financial Corporations	9.1 (59.9)	6.5 (56.0)	4.8 (47.5)	3.9 (36.1)	20.6 (33.5)
	15.2	11.6	10.1	10.8	61.6

*Gross sanctions.

Figures in brackets indicate percentages to the total.

1968, a special concessional rate of 4½ per cent for refinance of loans to small-scale industrial units covered under the Central Government's Credit Guarantee Scheme, with a ceiling of 8 per cent on the primary institution's effective lending rate. This action was designed for two purposes, to ensure a better spread for the SFCs between their average borrowing and lending rates and to ensure credit at a reasonable cost of the small-scale sector. Following this, nine SFCs reduced their lending rates to 8 per cent on all loans to small industries, while three others charged this rate on loans within specified limits; still cheaper rates of 7 per cent and 7½ per cent

were charged by two SFCs and three SFCs respectively. This policy was reinforced by the Reserve Bank in October 1968 with the consent of the Central Government through a reduction in the commission under the Credit Guarantee Scheme from ½ per cent to 1/10 per cent per annum, subject to the eligible lending institution covering all its advances to small industries sanctioned or renewed since then. Though the data given in Table 5 for 1968-69 are not strictly comparable with those for 1967-68, there is evidence that in the process of the SFCs responding to the IDBI/RBI incentives some interesting changes may take place in their pattern of operations. Thus, during

1968-69, 14 SFCs availed of IDBI's concessional refinance at 4½ per cent as against only 4 SFCs during 1967-68. Also, refinance for Rs. 2.7 crores on 189 applications was sanctioned as against Rs. 51 lakhs on 23 ap-

plications in 1967-68. Simultaneously, there was also a wider geographical coverage, the IDBI refinance assistance for small-scale industries being spread over 67 districts in 1968-69 as against 14 districts in 1967-68.

TABLE 5—REFINANCE SANCTIONED BY IDBI TO SFCs ON THEIR LOANS TO SMALL-SCALE INDUSTRIES

State		No. of Districts covered		Assistance Sanctioned			
		1967-68	1967-68	1968-69 No. of applications	Amount (Rs. lakhs)	1967-68 No. of applications	Amount (Rs. lakhs)
Andhra Pradesh	9	5	24	35.49
Bihar	2	—	3	6.00
Gujarat	15	—	76	81.91
Kerala	1	—	1	2.00
Madhya Pradesh	1	—	1	2.20
Maharashtra	4	4	11	28.50
Mysoore	9	—	22	32.85
Orissa	1	—	1	0.65
Punjab	2	—	5	5.81
Rajasthan	5	—	11	14.24
Tamil Nadu	5	3	5	21.95
Uttar Pradesh	6	—	12	24.60
West Bengal	4	1	10	8.78
Union Territories	3	1*	7	5.58
TOTAL	67	14	189	270.56
						23	50.97

*Relates to refinance sanctioned to Maharashtra SFC in respect of its loan to a small-scale unit in Goa.

39. The fact that the number of districts in the whole country where IDBI money reached small-scale industries through SFCs has increased from 14 in 1967-68 to only 67 in 1968-69 is an indication that the deployment of institutional term finance for the development of small industries is still very poor. The performance of Gujarat SFC which has reached 15 districts with IDBI money in 1968-69 is fairly commendable but that of most other SFCs in this context leaves a great deal to be desired. Efforts are being made all the time, by the IDBI which gives refinance and the Industrial Finance Department of the RBI which guarantees the loans, to induce the SFCs to change the character of their operations and strain their initiative and ingenuity to the utmost to encourage the development of small industries in all districts in their States and particularly in the underdeveloped ones. The commercial banks should be able to do a great deal of work in this regard. It is hoped that the recent nationalisation of 14 banks will act as a fillip provided the State Governments themselves are able to pay more purposeful attention to the urgent need of rectification of imbalances between developed and underdeveloped areas within their respective boundaries.

(ii) Scheme for refinancing of medium-term export credit :

40. The IDBI continued to operate its scheme for refinance of medium-term export credits granted by eligible banks to exporters of capital and engineering goods (*vide Appendix II*). Under the scheme, full refinance is provided at 4½ per cent and the lending banks are required not to charge more than 6 per cent. In August 1967, the scope of the scheme was enlarged and the maximum period of eligible export credit extended. A total amount of Rs. 7.5 crores on 11 applications was sanctioned by way of refinance under the scheme during 1968-69, as compared with Rs. 0.3 crore on 3 applications sanctioned during 1967-68 (*vide Table 6*). Among the items of export covered were rails and railway track materials, transmission line towers, copper and ACSR conductors, diesel engines, pump-sets and spares, textile and sugar mill machinery, and water treatment plant. Unlike in the past when only one bank had availed of the facility, 5 banks did so during 1968-69. Disbursements were also higher at Rs. 2.5 crores as compared to Rs. 0.3 crore. Further, the Bank agreed, in principle, to extend refinance assistance in respect of export orders of the aggregate value of Rs. 16.5 crores. At the end of June 1969, only one application for Rs. 19 lakhs was pending consideration.

TABLE 6—REFINANCING OF EXPORT CREDIT

	(Amount in crores of rupees)					
	1968-69 (July—June)		1967-68 (July—June)		Since inception of the scheme in 1963 upto June 30, 1969	
	No.	Amount	No.	Amount	No.	Amount
1. Applications received	13	9.1	4	0.3
2. Applications sanctioned*	11	7.5	3	0.3
3. Applications pending consideration (end of period)	1	0.2	1	0.01
4. Net effective sanctions	11	7.5	3	0.3
5. Refinance disbursed	—	2.5	—	0.3
6. Repayment of refinance	—	0.3	—	0.4
7. Applications rejected/withdrawn/returned	2	0.1	—	—
8. Amount outstanding (end of period)	—	2.4	—	0.2
9. Undisbursed sanctions (end of period)	—	5.2	—	0.2

*Gross sanctions.

Subscriptions to Shares and Bonds of other Financial Institutions

41. The progress of the operations of the IDBI by way of subscription to shares and bonds of SFCs during 1968-69 and since inception is set out in Table 7. The role of the IDBI in this sphere is that of the apex institution, i.e. to ensure the success of all the issues by ex-

tending support to them to the requisite extent. The IDBI's support operations this year were marginal; for a variety of reasons, such as the relatively attractive yield on the bonds, the surplus of investible funds with banks and the LIC, and the change in policy at the Centre permitting investments upto 50 per cent of the monthly accruals to Employees' Provident Fund in State Government loans and Government guaranteed securities,

TABLE 7.—SUBSCRIPTIONS TO SHARES AND BONDS OF STATE FINANCIAL CORPORATIONS, 1968-69

(In lakhs of rupees)

State Financial Corporation	1968-69			Total since inception of the IDBI in July 1964 upto the end of June 1969				
	Total Amount of shares issued	IDBI's contri- butiion	Total amount of bonds issued	IDBI's contri- butiion (face value)	Total amount of shares issued	IDBI's contri- butiion	Total amount of bonds issued	IDBI's contri- butiion (face value)
1. Andhra Pradesh	—	—	—	200·0
2. Assam	—	—	—	100·0
3. Bihar	—	—	—	100·0
4. Gujarat	—	—	—	150·0
5. Haryana	—	—	—	22·2
6. Jammu & Kashmir	—	—	—	—
7. Kerala	—	—	—	35·9
8. Madhya Pradesh	—	—	—	375·0
9. Madras (MIIC)	—	—	—	129·2
10. Maharashtra	—	—	—	350·0
11. Mysore	—	—	—	34·7
12. Orissa	—	—	—	24·6
13. Punjab	—	—	—	48·2
14. Rajasthan	—	—	—	175·0
15. Uttar Pradesh	—	—	—	150·0
16. West Bengal	—	—	—	19·0
TOTAL	—	875·0	18·2	325·4	118·1
							2760·0	515·3

the SFCs had much less need than in earlier years to seek the assistance of the Bank. In fact, most of the bond issues during the year by 10 SFCs for Rs. 8.8 crores were over-subscribed. The IDBI's contribution was Rs. 18.2 lakhs in respect of bond issues for Rs. 1.50 crores by two SFCs (Madhya Pradesh and Bihar). There were no public issues of share capital by the SFCs during the year. Total subscriptions by the IDBI, since inception, to the bond issues of SFCs aggregated Rs. 5.2 crores (face value) or 18.7 per cent of the total issues, the book value of IDBI's subscriptions being Rs. 5.1 crores. Total subscriptions by the IDBI to issues of share capital by SFCs so far amounted to Rs. 1.2 crores or 36.3 per cent of the total issues.

42. During 1968-69, the IDBI also contributed Rs. 4.3 crores to the special debentures of the ICICI, bringing its total contribution to the public and special issues of debentures of the ICICI to Rs. 13.4 crores upto the end of June 1969.

Rediscounting Assistance

43. The Bank's scheme for rediscounting of bills/promissory notes, covering sales of indigenous machinery on deferred payment basis, introduced in April 1965, was further modified during 1968-69 to make it a more useful instrument of industrial growth. Firstly, the cost of credit to the ultimate purchaser-user was further reduced by paring the maximum discount rates charged by banks by 1 per cent, effective January 16, 1969. It will be recalled that the IDBI had reduced its own rediscount rates by $\frac{1}{4}$ per cent in May 1968. The two measures, taken together, have reduced the cost to the machinery buyer from the range 10.6—12.0 per cent to the range 9.1—

9.8 per cent (inclusive of stamp duty and other charges where payable) depending on the usance of the bills. Secondly, the rediscounting procedure was simplified by dispensing with the earlier stipulation that the purchaser-user's bank (or an insurance company upto Rs. 3 lakhs in the case of a single purchaser) should accept/guarantee the bills/promissory notes; it was left to the discretion of the seller's bank whether or not to insist on such acceptance/guarantee. Thirdly, the facility under the scheme, which had earlier been restricted to purchaser-users in the private sector, was extended in January 1969 to cover purchaser-users in the public sector, such as autonomous bodies like electricity undertakings, transport corporations, and Government companies. It may be mentioned here that design engineering concerns which have machinery manufactured according to their designs and market them under their own trade brands are also eligible under the scheme and such concerns in the consultancy field have been increasingly availing of the facility.

44. Increasing use of the scheme was made during the year. Bills rediscounted by the IDBI aggregated Rs. 15.5 crores, as compared to Rs. 12.4 crores in 1967-68 and Rs. 7.1 crores in 1966-67, bringing the total since the inception of the scheme to Rs. 37.3 crores. The number of machinery manufacturers who took advantage of the scheme increased from 54 in 1967-68 to 104 in 1968-69 and the number of purchaser-users from 237 to 335.

Industry-wise Break-down of Overall Assistance

45. The industry-wise distribution of assistance to industrial projects (comprising direct loans other than for

exports, underwriting and direct subscriptions, refinance of industrial loans and rediscounts) sanctioned and disbursed by the IDBI during the period July 1964 to June 1968 and in 1968-69 is shown in Table 8. The industry-wise classification of assistance, according to type of

assistance since inception upto the end of June 1969 is given in Annexure II. Latterly, there has been a wider dispersal of IDBI assistance over a large number of industries. Thus, in the past two years, the IDBI extended direct assistance, for the first time, to the hotel industry

TABLE 8—INDUSTRY-WISE CLASSIFICATION OF ASSISTANCE SANCTIONED* AND DISBURSED BY THE IDBI DURING THE PERIOD JULY 1964 TO JUNE 1968 AND 1968-69

(In crores of rupees)

Industry	July 1964—June 1968				1968-69			
	Assis-tance sanc-tioned	Percen-tage to total	Assis-tance dis-bursed	Percen-tage to total	Assis-tance sanc-tioned	Percen-tage to total	Assis-tance dis-bursed	Percen-tage to total
1. Textiles (including jute)	26.8	13.9	28.2	17.4	6.4	13.1	3.0	7.2
2. Paper and Paper Products	5.9	3.0	5.2	3.2	6.2	12.7	1.4	3.3
3. Basic Industrial Chemicals other than fertilisers	24.1	12.5	19.1	11.9	2.1	4.3	2.0	4.8
4. Other Chemicals and Chemical Products	12.5	6.5	8.5	5.2	1.1	2.2	3.1	7.4
5. Fertilisers	35.2	18.2	31.7	19.5	0.3	0.6	2.5	6.0
6. Cement	11.5	5.9	8.4	5.2	1.9	3.9	2.2	5.3
7. Basic Metal Industries (including alloy and special steels)	22.4	11.6	10.6	6.5	3.7	7.5	4.6	11.0
8. Manufacture of Machinery except electrical machinery	32.0	16.5	27.0	16.6	20.5	41.8	18.0	43.1
9. Manufacture of Electrical Machinery	9.0	4.7	8.8	5.4	1.3	2.7	0.7	1.7
10. Other Industries	13.9	7.2	14.7	9.1	5.5	11.2	4.3	10.2
TOTAL..	193.3	100.0	162.0	100.0	49.0	100.0	41.8	100.0

*Comprising direct loans (other than for exports), underwriting and direct subscription, refinance of industrial loans and rediscounts.

and for the manufacture of electronic components, aluminium, copper, pharmaceuticals, synthetic resins, rice milling machinery, tanneries and refrigeration fittings.

State-wise Distribution of Assistance

46. The State-wise distribution of total assistance sanctioned and disbursed by the IDBI during 1968-69 and since inception are given in Tables 9 and 10, respectively. It will be noticed that the IDBI figures, whether taken year by year or as cumulative aggregates, do not by themselves show as if financial assistance has been distributed among the States with an eye on factors like area, population, or per capita income. This could well be so. The main reason is that disbursement follows sanctions, and sanctions are only in response to actual requests received from parties. Owing to historical geographical and other reasons which it is impossible for financial institutions by themselves to alter or offset, requests for assistance happen to be numerous from some States but not from all; in fact, there are States from which requests come very rarely, if at all. Even within the relatively developed States there are large areas where there is still no industrialisation or where industries are very few and in a rudimentary stage. This kind of situation arises from a number of factors, e.g. the inadequacy of infra-structure facilities like power and transport and paucity of local entrepreneurial talent. What the IDBI can do and has been doing consistently is to pay special attention to requests from underdeveloped areas and take very special and sympathetic care to respond to such requests and offer assistance to such projects on terms softer than its usual terms. But it realises that only a few concessions in this way do not offer a solution to the problem of imbalance in development between different areas of the country which is now a dominant theme of debate in Parliament and among the public.

47. The problem is now under the active consideration of the Government and the advice and comments of the

National Development Council have been sought. The reports of two Working Groups appointed by the Planning Commission for identification of backward areas, and for recommending suitable fiscal and financial incentives for starting industries in backward areas, are also receiving Government's attention.

48. Pending the formulation of official guidelines for the operations of financial institutions in this regard, the IDBI has, as an interim measure, decided that in respect of deserving projects of small or small-medium size emanating from really underdeveloped areas, it will, *inter alia*, be prepared to charge a lower rate of interest; extend the initial grace period from the normal 2-3 years to 5 years or even longer, if necessary; allow the repayment to be spread over a period of 15-20 years as against the normal 10-15 years; and increase the extent of participation in risk capital. The IDBI will also be prepared to engage independent consultancy firms to give viable shape to such projects. Projects which even on a long-term basis will be unviable will not be favoured. But the IDBI, while determining the viability of projects in a backward region, will take note of not only the usual commercial aspects which enter one's judgement in the fairly developed parts of the country, but also special considerations e.g. the usefulness of provision of industrial employment in an area where the population is large but there is no worth-while industry, the value of inculcating industrial skills in a population unacquainted with industry, or the practicability of manufacture of consumer goods out of locally available raw material at a cost somewhat higher than the average Indian cost if by such manufacture the hazard and expense of bringing the goods from other areas over a long distance can be substantially cut down. The success in operation of the decision outlined above will depend to a very large extent on the effectiveness and quality of the co-operation of the State Governments concerned and Governmental institutions at the State level.

TABLE 9
STATE-WISE DISTRIBUTION OF FINANCIAL ASSISTANCE SANCTIONED AND DISBURSED BY THE
IDBI DURING 1968-69

(In lakhs of rupees)

State	Assistance sanctioned (Effective)							Total
	Loans (other than for exports)	Loans for exports	Under- writing and direct sub- scription	Guar- antee	Re-finance	Re-discount		
1	2	3	4	5	6	7	8	
1. Andhra Pradesh	—	—	—	154.4	—	154.4
2. Assam	—	—	—	—	—	—
3. Bihar	35.0	—	—	27.9	97.0	159.9
4. Gujarat	40.0	—	1.9	—	210.4	76.5
5. Haryana	—	—	3.0	—	53.4	1.7
6. Jammu & Kashmir	—	—	—	—	—	58.1
7. Kerala	37.0	—	—	96.0	—	133.0
8. Madhya Pradesh	—	—	—	30.2	141.1	171.3
9. Maharashtra	119.7	610.5	17.8	60.1*	810.3	599.3
10. Mysore	116.8	—	182.5	—	61.4	129.0
11. Nagaland	—	—	—	—	—	—
12. Orissa	320.0	—	9.0	—	9.6	10.0
13. Punjab	—	—	—	—	18.6	18.6
14. Rajasthan	—	—	—	—	308.3	308.3
15. Tamil Nadu	225.0	—	3.0	1.1	220.7	133.3
16. Uttar Pradesh	—	—	5.0	—	64.2	36.8
17. West Bengal	707.0	44.0	15.5	—	151.6	323.1
18. Under Territories	—	—	—	—	42.7	1.6
TOTAL	..	1600.5	654.5	237.6	61.2	2259.7	1549.4	6362.9

Note.—(i) Classification based on location of projects assisted in each State. In a few cases, assistance was sanctioned for expansion of existing units/setting up of new units in more than one State; such assistance has been included in the State where the assistance has gone predominantly. In the case of rediscards, the classification is based on the location of the machinery manufacturer/seller.

TABLE 10
STATE-WISE DISTRIBUTION OF FINANCIAL ASSISTANCE SANCTIONED AND DISBURSED BY THE IDBI
DURING JULY 1964—JUNE 1969

(In lakhs of rupee)

State	Assistance Sanctioned (Effective)							Total
	Loans (including direct loans for export)	Under- writing and direct sub- scription	Guarantees	Re-finance	Re-discount			
1	2	3	4	5	6	7		
1. Andhra Pradesh	985.0	82.5	—	706.2	1773.7
2. Assam	—	—	—	12.4	12.4
3. Bihar	583.0	165.0	—	99.5	117.7
4. Gujarat	1840.0	394.7	511.6	811.6	166.4
5. Haryana	—	23.0	—	237.4	1.7
6. Jammu & Kashmir	—	—	—	—	—
7. Kerala	147.0	4.0	—	289.0	440.0
8. Madhya Pradesh	—	49.0	—	316.6	543.0
9. Maharashtra	2934.8†	524.4	1390.0‡	2969.8	1793.2
10. Mysore	279.8	221.0	—	365.7	196.2
11. Nagaland	—	—	—	—	—
12. Orissa	380.0	44.0	—	50.3	29.8
13. Punjab	—	—	—	111.7	111.7
14. Rajasthan	366.0	5.0	278.1	379.1	1028.2
15. Tamil Nadu	1203.0	132.6	1.1	1779.4	425.3
16. Uttar Pradesh	472.0	69.5	295.0	246.4	76.0
17. West Bengal	1356.0†‡	95.9	—	990.0	749.3
18. Union Territories	200.0	—	—	157.8	1.6
Total	..	10746.6	1810.6	2476.1	9512.9	3734.6	28280.8	

Note.—(i) Classification based on location of projects assisted in each State. In a few cases, assistance was sanctioned for expansion of existing units/setting up of new units in more than one State; such assistance has been included in the State where the assistance has gone predominantly. In the case of rediscards, the classification is based on the location of the machinery manufacturer/seller.

Inclusive of disbursements in respect of refinance sanctioned by the Refinance Corporation for Industry prior to its merger with the IDBI in September, 1964.

TABLE 9—*contd.*
STATE-WISE DISTRIBUTION OF FINANCIAL ASSISTANCE SANCTIONED AND DISBURSED BY THE IDBI
DURING 1968-69.

(In lakhs of rupees)

State	Assistance Disbursed (including Guarantees executed)							Total
	Loans (other than for exports)	Loans for exports	Under- writing and direct sub- scription	Guarantee	Re-finance	Re-discount		
1	9	10	11	12	13	14		15
1. Andhra Pradesh	..	20	—	—	139·9	—	—	159·9
2. Assam	—	—	—	—	—	—	—
3. Bihar	153·0	—	—	30·5	83·1	—	266·6
4. Gujarat	32·0	—	1·9	202·4	65·5	301·8	—
5. Haryana	—	—	—	52·1	1·5	—	53·6
6. Jammu & Kashmir	—	—	—	—	—	—	—
7. Kerala	20·6	—	—	47·7	—	—	68·3
8. Madhya Pradesh	—	—	—	22·8	120·9	—	143·7
9. Maharashtra	245·8	—	1·2	339·9	513·2	1100·1	—
10. Mysore	1·6	—	100·9	50·6	110·5	—	263·6
11. Nagaland	—	—	—	—	—	—	—
12. Orissa	15·0	—	2·2	20·4	8·6	—	46·2
13. Punjab	—	—	—	14·5	—	—	14·5
14. Rajasthan	—	—	—	181·7	—	—	181·7
15. Tamil Nadu	480·0	—	21·7	1·1	174·7	114·2	801·7
16. Uttar Pradesh	242·0	—	19·7	—	49·3	31·5	342·5
17. West Bengal	285·0	—	9·7	—	84·2	276·7	655·6
18. Union Territories	26·4	—	—	—	0·2	1·4	28·0
TOTAL ..	1531·4	—	157·3	1·1	1410·9	1327·1	4427·8	

(ii) Figures are exclusive of subscription to shares and bonds of SFCs and debentures of ICICI.

*Relates to Advance Payment Guarantee (Export credit).

TABLE 10—*contd.*
STATE-WISE DISTRIBUTION OF FINANCIAL ASSISTANCE SANCTIONED AND DISBURSED BY THE IDBI
DURING JULY 1964—JUNE 1969

(In lakhs of Rupees)

State	Cash Disbursements and Guarantees executed							Total
	Loans (including direct loans for exports)	Under- writing and direct sub- scription	Guarantee	Re-finance	Re-discount			
1	8	9	10	11	12			
1. Andhra Pradesh	940·0	57·0	—	640·2	—	—	1637·2
2. Assam	—	—	—	24·4	—	—	24·4
3. Bihar	188·0	8·9	—	143·7	101·1	—	441·7
4. Gujarat	1832·0	373·5	—	800·5	142·9	—	3148·9
5. Haryana	—	9·9	—	238·4	1·5	—	249·8
6. Jammu & Kashmir	—	—	—	30·9	—	—	30·0
7. Kerala	125·0	3·9	—	213·4	—	—	342·3
8. Madhya Pradesh	—	48·8	—	316·7	152·4	—	517·9
9. Maharashtra	2216·2	463·9	1329·9	2662·5	1540·4	—	8212·9
10. Mysore	163·0	128·9	—	399·3	168·5	—	859·7
11. Nagaland	—	—	—	—	—	—	—
12. Orissa	60·0	37·0	—	100·8	25·6	—	223·4
13. Punjab	—	—	—	134·9	—	—	134·9
14. Rajasthan	125·0	4·6	278·1	285·0	—	—	692·7
15. Tamil Nadu	830·0	101·4	1·1	1635·6	365·3	—	2933·4
16. Uttar Pradesh	399·0	51·6	295·0	195·3	65·3	—	1006·2
17. West Bengal	358·5	74·5	—	910·0	643·7	—	1986·7
18. Union Territories	151·4	—	—	114·0	1·4	—	266·8
TOTAL ..	7388·1	1363·8	1904·1	8844·7	3208·1	22708·9		

(ii) Figures are exclusive of subscriptions to share and bonds of SFCs and debentures of the ICICI.

† Including direct loan for exports of Rs. 610·48 lakhs.

‡ Including Advance payment Guarantee (Export Credit) of Rs. 50·14 lakhs.

§ Including direct loans for exports of Rs. 44 lakhs.

FINANCE FOR INDUSTRY BY TERM-FINANCING INSTITUTIONS

49. In this section, the data regarding the aggregate financial assistance provided by the major term-financing institutions in the country have been brought together to indicate the total contribution of these institutions in financing industrial growth. Tables 11 and 12 furnish data on financial assistance sanctioned and disbursed by the IDBI, the IFCI, the ICICI, the SFCs, the SIDCs as well as the LIC and the UTI during the last two financial years (April-March).

50. Total financial assistance sanctioned by the IDBI, the IFCI, the ICICI, the SFCs and the SIDCs amounted to Rs 137.5 crores and total disbursals to Rs. 85.1 crores

in 1968-69, the corresponding figures for 1967-68 being Rs. 87.1 crores and Rs. 105.0 crores. It may be added that during 1968-69 the assistance sanctioned by all the term-financing institutions was spread over a larger number of small and medium-size projects than in the previous year. One feature of the operations of term-financing institutions was the increase in the amount of debentures underwritten. In view of the ebb in the activity in new share issues and the higher level of liquidity in the economy, a few well-established companies took the opportunity to float new debenture issues for financing their expansion schemes. Disbursal of assistance during 1968-69 showed a further decline as compared to 1967-68, reflecting the slower pace of sanctions of the previous two years; with the stepping up of sanctions, disbursals may be expected to go up in the succeeding years.

TABLE 11
ASSISTANCE SANCTIONED BY FINANCIAL INSTITUTIONS DURING 1968-69 AND 1967-68
(APRIL—MARCH)

(In crores of Rupees)

	Rupees	Underwriting and Direct Subscription								Total	
		Foreign Currency Loans ¹				Ordinary and Preference Shares					
		1968-69	1967-68	1968-69	1967-68	1968-69	1967-68	1968-69	1967-68	1968-69	1967-68
1	2	3	4	5	6	7	8	9	10	11	
IDBI	47.1+ (8.4)	26.6+ (3.6)	—	—	1.1	0.9	1.5	—	49.7 (8.4)	27.5 (3.6)	
IFCI	19.1	18.0	5.4	1.0	1.4	0.7	1.7	0.3	27.6	20.0	
ICICI	2.2	3.7	27.3	6.0	2.6	2.7	4.9	2.8	37.0	15.3	
SFCs	19.3	18.8	—	—	0.3	1.1	—	0.1	19.6	20.0	
SIDCs@	1.6	1.0	—	—	1.9	3.3	—	—	3.6	4.3	
TOTAL	89.3 (8.4)	68.1 (3.6)	32.7	7.0	7.3	8.7	8.1	3.2	137.5 (8.4)	87.1 (3.6)	
UTI@@					2.4	3.1	7.9	5.2	10.3	8.3	
LIC++			2.9			6.1		4.2		13.2	

TABLE 12
ASSISTANCE DISBURSED BY FINANCIAL INSTITUTIONS DURING 1968-69 AND 1967-68
(APRIL—MARCH)

(In crores of Rupees)

	Rupees	Underwriting and Direct Subscription								Total	
		Foreign Currency Loans				Ordinary and Preference Shares					
		1968-69	1967-68	1968-69	1967-68	1968-69	1967-68	1968-69	1967-68	1968-69	1967-68
1	2	3	4	5	6	7	8	9	10	11	
IDBI	27.4+ (6.0)	39.0+ (4.1)	—	—	0.4	2.6	0.5	—	28.2 (6.0)	41.6 (4.1)	
IFCI	15.3*	17.9*	2.4	4.2	0.6	1.0	1.1	0.8	19.5	23.9	
ICICI	2.7	5.8	8.7	10.0	1.5	1.7	3.4	2.8	16.2	20.4	
SFCs	17.9*	15.5*	—	—	0.5	0.6	..	0.2	18.5	16.2	
SIDCs@	1.5	1.1	—	—	1.2	1.8	—	—	2.7	2.9	
TOTAL	64.8 (6.0)	79.3 (4.1)	11.1	14.2	4.2	7.7	5.0	3.8	85.1 (6.0)	105.0 (4.1)	
UTI@@					1.7	3.2	8.7	6.3	10.4	9.5	
LIC++			10.8			5.2		5.6		21.6	

+ Comprising direct loans, refinance to banks and rediscounts ; refinance to SFCs, indicated separately within brackets, is excluded to avoid double counting since this is covered under loans of SFCs.

* Including disbursement on account of guarantees.

.. Negligible.

@ Data relate to 10 SIDCs.

@@ Data for 1968-69 are provisional.

++ Figures for 1968-69 are not available.

51. Statistics relating to sources and uses of funds of term-financing institutions for 1968-69 are set out in Annexure III.

DEVELOPMENT ASSISTANCE FUND*

Operations

52. During 1968-69, the IDBI sanctioned, out of the DAF an additional loan of Rs. 35 lakhs to one company, viz. Gayday Iron and Steel Co. Ltd., to finance the overrun in its project cost. The IDBI had sanctioned financial assistance to this company earlier, out of the General Fund, but had to turn to DAF subsequently as it was not feasible to provide further term assistance on commercial considerations. Total sanctions from the DAF since the inception of the Fund upto the end of June 1969 covering 3 projects amounted to Rs. 33.2 crores, which included loans of Rs. 25.4 crores in all and underwriting assistance of Rs. 2.7 crores, besides deferred payment guarantee of Rs. 5.1 crores.

53. There were no disbursals of assistance or borrowals from Government of funds in the DAF during 1968-69 so that the total disbursals of assistance and borrowals since inception remained unchanged at Rs. 27.6 crores and Rs. 27.4 crores, respectively up to the end of June 1969. The Fund showed a profit of Rs. 50 lakhs during 1968-69 (Rs. 48 lakhs in 1967-68), after a transfer of Rs. 5 lakhs to the General Fund towards expenses of the administration of the DAF.

ACCOUNTS AND OTHER MATTERS

Income and Expenditure

54. This Section covers the accounts of the General Fund of the IDBI. During 1968-69, the total income in the General Fund increased from Rs. 8.7 crores during 1967-68 to Rs. 10.4 crores and its total expenditure from Rs. 5.6 crores to Rs. 6.8 crores. Of the net profit of Rs. 3.6 crores (Rs. 3.1 crores in 1967-68), a sum of Rs. 2.8 crores (Rs. 2.3 crores in 1967-68) was transferred to the Reserve Fund and the balance of Rs. 75 lakhs (the same as in 1967-68) to the Reserve Bank of India. The IDBI's Reserve Fund stood at Rs. 8.9 crores at the end of June 1969.

55. The principal sources of funds during the years 1968-69 and 1967-68 were as follows :

Resources

	(Rs. crores)	
	1968-69	1967-68
(i) Increase in paid-up capital and reserves	2.8	2.3
(ii) Borrowings :		
(a) Government of India .. 25.0	25.0	

(b) Reserve Bank of India ..	0.2	0.8
(iii) Repayment of assistance :		
(a) Refinance	14.8	19.6
(b) Rediscount	5.5	4.0
(c) Direct loans	1.4	1.2

(i) Share Capital

56. The paid-up capital of the Bank remained unchanged at Rs. 20 crores during 1968-69.

(ii) Borrowings from the Government of India

57. During the year, the IDBI borrowed Rs. 25 crores from the Government, wholly on account of the General Fund. The effective rate of interest on this borrowing would work out to 5½ per cent, after taking into account the rebate of ¼ per cent allowed by the Government on its loans since June 1968 for timely payment of interest and repayment of principal. Of the amount borrowed from Government, Rs. 4.3 crores were disbursed to the ICICI during the year against special issues of debentures. As on June 30, 1969, outstanding borrowings from the Government stood at Rs. 177.5 crores, inclusive of Rs. 27.4 crores for credit to the DAF.

(iii) Borrowings from the Reserve Bank of India

58. Total limits aggregating Rs. 7.0 crores were sanctioned to the IDBI by the Reserve Bank out of its National Industrial Credit (Long-Term Operations) Fund :

- (1) Rs. 3.5 crores for subscribing to the bonds of SFCs.
- (2) Rs. 1.0 crore for subscribing to the share capital of SFCs.
- (3) Rs. 2.5 crores for refinancing term loans to small-scale industries covered under the Credit Guarantee Scheme at the concessional rate of 4½ per cent per annum.

Only an amount of Rs. 18 lakhs was borrowed during the year against the limit under (1) as the bond issues of most SFCs were over-subscribed during the year, which considerably reduced the need for IDBI's support. There was no occasion to draw upon the limit under (2) in the absence of any public share issue by SFCs. Also, there was no need to avail of the limit under (3) in view of the surplus resources position of the IDBI during the year. The amount outstanding in the Fund was Rs. 68.7 crores at the end of June 1969.

Auditors

59. The accounts of the Bank were audited by Messrs. S. B. Billimoria and Co. of Bombay, who were appointed

*This Fund, which is maintained separately from the IDBI's General Fund, was established in March 1965, in terms of Section 14 of the IDBI Act, to assist with the prior approval of the Central Government specially deserving projects to which banks and other financial institutions are not likely to provide the requisite finance in the ordinary course of business.

by the Reserve Bank of India, in terms of Section 23(1) of the IDBI Act.

Board of Directors

60. The Board of Directors of the IDBI is identical with the Central Board of the Reserve Bank. Four Directors, viz., Sarvashri R. G. Saraiya, B. N. Mookerjee, V. S. Tyagaraja Mudaliar and Raja Bajrang Bahadur Singh retired from the Central Board of Reserve Bank and consequently from the Board of the IDBI on the expiry of their terms of office on January 14, 1969, and in their vacancies the Central Government nominated Sarvashri S. L. Kirloskar, Bhaskar Mitter, V. N. Puri and D. C. Kothari on the Central Board of the Reserve Bank of India, effective January 15, 1969.

61. The Board wishes to place on record its sense of appreciation of the services rendered to the IDBI by Sarvashri R. G. Saraiya, B. N. Mookerjee, V. S. Tyagaraja Mudaliar and Raja Bajrang Bahadur Singh.

Board and Executive Committee

62. Seven meetings of the Board of Directors were held during the year, two in Bombay and one each in Hyderabad, Madras, Calcutta, New Delhi and Bangalore. The Executive Committee, consisting of the Chairman, the Vice-Chairman and eight other Directors, held fourteen meetings during the year, one each at Hyderabad, Madras, Calcutta and New Delhi and the rest at Bombay.

Ad-Hoc Advisory Committees

63. As in the previous years, the IDBI continued to avail of the services of technical advisers and consultants to advise the Bank on specific projects. For this purpose, *Ad-hoc Committees of Advisers* were formed from time to time. In all, 8 meetings of the *Ad-hoc Committees of Advisers* were held during 1968-69. The Board of Directors is grateful to the advisers and experts for the valuable assistance and advice rendered by them to the IDBI.

Supervision over Operations of the IFCI

64. The IDBI, which holds 50 per cent of the share capital of the IFCI, continued to exercise supervision over the operations of the IFCI, in terms of the Industrial Finance Corporation Act. Messrs. S. Vaidyanath Aiyar & Co., New Delhi, were reappointed as Auditors of the Corporation by the IDBI, in terms of Section 34(1) of the IFC Act. Sarvashri Charat Ram, G. Ramanujam, R. N. Bhargava and P. K. Dasgupta, General Manager of the IDBI, continued to be nominees of the IDBI on the Board of Directors of the IFCI throughout the year under review.

CONCLUDING OBSERVATIONS

65. The IDBI has now completed five years of its existence. In this short period, the Bank's policies in regard to its assistance, both direct and indirect, have been continuously adapted to suit the changing economic picture. Increasing attention has been paid to countering the recession in certain sectors of the economy, to promotion of exports, and to encouraging industries to grow and develop in the more backward areas of the country. It has been the constant endeavour of the Bank to improve co-ordination among the term-lending institutions so as to ensure an integrated approach in the sanction and disbursal of assistance. Steps are underway to recruit additional technical and other personnel for manning the four regional offices, the IDBI proposes to open in the near future.

66. The tasks ahead are arduous. Industrial output has revived somewhat but the rate of growth is less than what was achieved in the period 1961-65. There is a considerable under-utilisation of capacity in some capital goods and engineering industries. While a further step-up in exports—in itself a challenging task—could help to some extent, the problem of fuller utilisation of the idle capacity remains. There is also considerable scope for modernisation and renovation of the traditional industries. In the face of the growing unemployment, the development of small and medium industries needs to be pursued much more vigorously than in past years. While the Fourth Plan provides the broad frame-work of objectives and policies, steps have to be taken to organise the requisite machinery to implement them systematically. The potential for industrial growth has to be identified and the resources organised to exploit it. It is also necessary to provide for the infra-structure facilities as well as to create and develop entrepreneurial talent. It is hoped that the role of the nationalised sector of the banking system in the financing of industry will be fitted harmoniously with that of the term-financing institutions. All these will call for a massive effort, in a co-ordinated manner, on the part of the Central and State Governments, industry labour and financial institutions.

67. Discussions have been started by the Chairman of the IDBI with State Government authorities, who are primarily concerned with the problem of industrial development in their territories. A basic desideratum in this respect is the drawing up of concrete programmes for industrial development through meaningful surveys e.g. of particular areas or particular industries or availability of raw materials or markets; in these the IDBI, as the apex financial institution, will be glad to play its part. The Bank has announced, as an interim measure, the outlines of a scheme for assisting small and medium projects emanating from under-developed areas on softer terms. More definitive policies in this regard have yet to be evolved and the achievement of demonstrable results in different parts of the country will take time. It needs hardly be emphasized that while the IDBI and other term-lending institutions will, no doubt, play their part their role can at best supplement the efforts of the State Governments and other agencies in this sphere.

ANNEXURE
DETAILS OF INDUSTRIAL PROJECTS TO WHICH DIRECT FINANCIAL ASSISTANCE

Sr. No.	Name of the company	Cost of the project	Means of Financing			
			Ordinary and Preference share	Deben- tures**	Loans etc.**	Deferred pay- ments
1	2	3	4	5	6	
1. Bradbury Mills Ltd.	..	55·0	—	55·0	—	—
2. Indian Aluminium Company Ltd.	..	4434·0	642·0	1687·0	2105·0 (119·90)	—
3. K. C. P. Ltd.	..	—	—	—	26·5 (6·5)	—
4. Damodar Enterprises Ltd.	..	46·5	20·0	—	—	—
5. The National Tannery Co. Ltd.	..	80·0	15·0	—	65·0 (35·0)	—
6. Orissa Fertilizers & Chemicals Ltd.	..	40·7	20·0	—	19·0	1·7
7. Madras Aluminium Co. Ltd.	..	162·4	—	—	162·4 (87·4)	—
8. India Cements Ltd.	..	1199·8	—	—	1080·9 (431·0)	118·9
9. O/E/N/ India Ltd.	..	91·4	40·0	—	51·4 (14·4)	—
10. Electronics & Computers (India) Ltd.	..	62·6	24·1	—	36·3	2·3
11. Mahindra Ugiue Steel Company Ltd.	..	1015·0	367·5	—	608·1	39·4
12. Poona Industrial Hotel Ltd.	..	80·0	40·0	—	40·0	—
13. Jessop & Company Ltd.	..	905·0	—	—	905·0 (295·0)	—
14. Straw Products Ltd.	..	844·0	50·0	—	794·0 (244·0)	—
15. V. S. T. Tillers Tractors Ltd.	..	155·0	75·0	—	80·0 (20·0)	—
16. Refrigeration Accessories Ltd.	..	23·7	12·5	—	17·5 (10·9)	—
17. Pudumjee Pulp and Paper Mills Ltd.	..	417·0	130·0	—	287·0 (61·5)	—
18. Shree Digvijay Cement Company Ltd.	..	550·2	—	175·0	375·2 (211·3)	—
19. Chettinad Cement Corporation Ltd.	..	645·0	300·0	—	345·0 (21·4)	—
20. Tho Titaghur Paper Mills Co. Ltd.	..	637·4	—	—	637·0 (87·0)	—
21. Mysore Acetate and Chemicals Co. Ltd.	..	942·4	350·0	—	635·6 (3·0)	—
22. National Company Ltd.	..	317·0 (468·3)†††	—	—	302·3 (152·3)	14·7
	Total ..	12704·1 (12855·4)	2086·1	1862·2	8628·2 (2879·7)	177·0
23. Gtyday Iron & Steel Co. Ltd.	..	228·0	75·0	—	132·2	20·8
	Total ..	12932·1 (13083·4)	2161·1	1862·0	8760·4 (2879·7)	197·8
<i>Subscription to right issues</i>						
1. Tata-Merlin & Gerin Ltd.	..	—	19·0	—	—	—
2. Central Pulp Mills Ltd.	..	—	18·1	—	—	—
3. India Meters Ltd.	..	—	22·5	—	—	—
	Grand Total ..	—	—	2220·7	1862·0	8760·4 (2879·7)
						197·8

Note : Figures are based on information available at the time the assistance was sanctioned. In respect of certain projects, the figures within brackets relate to internal resources, cash accruals etc. included in the totals.

* Includes internal resources, cash accruals, etc. Promoter's and collaborator's contribution in the form of loans, deposits, etc. included in the main figures is also shown separately in brackets in columns 7 and 9.

† Relates to effective sanctions.

‡ Figures in brackets relate to total assistance including additional assistance sanctioned by the IDBI.

†† Direct subscription to the rights issue.

††† Deferred payment guarantee against counter guarantee of a commercial bank.

@@ Direct subscription.

††† Inclusive of the cost of one project to which the IDBI sanctioned a loan of Rs. 64 lakhs in 1965-66.

† The amount will be reduced to such extent as may be agreed to be sanctioned by other institutions.

†† Out of Development Assistance Fund. Assistance sanctioned earlier in 1964-65 and 1966-67 was from the Bank's General Fund.

I (A)

(OTHER THAN FOR EXPORTS) HAS BEEN SANCTIONED BY THE IDBI, 1968-69

(In lakhs of rupees)

Promoters, Directors, etc.*	Colabora- tors.	Total* of 7 & 8	Financial Assistance Sanctioned† by IDB						Total† of 10, 11 & 12	Guarantee	Percentage of 9 to 2	Percentage of 13 to 2				
			Loans‡			Underwriting		Total† of 10, 11 & 12								
			Ordinary shares‡	Preference shares‡	Debentures‡	10	11	12								
7	8	9	10	11	12	13	14	15	16							
1199.0	424.0	1623.0	45.0	10.0††	—	55.0	—	36.6	100.0	3.4						
12.5	—	12.5	—	4.0	—	4.0	1.1‡‡	26.9	8.6							
38.0	—	38.0	22.0	11.5	—	33.5	—	47.5	41.9							
6.0	—	6.0	15.0	4.0	—	24.0	—	14.7	59.0							
87.4	—	87.4	75.0	—	—	75.0	—	53.8	46.2							
431.0	—	431.0	100.0	—	—	100.0	—	35.9	8.3							
36.4	18.0	54.4	(275.0)	—	—	(275.0)	—	59.5	(22.9)	40.5						
7.0	—	7.0	—	5.0	—	5.0	—	11.2	8.0							
85.5	65.5	151.0	34.7	—	—	34.7	—	14.9	3.4							
18.0	—	18.0	(92.2)	—	—	(92.2)	—	22.5	7.5							
295.0	—	295.0	300.0	—	—	300.0	—	32.6	33.1							
244.0	—	244.0	305.0	—	—	305.0	—	28.9	36.1							
35.0	15.0	50.0	16.8	7.5	—	24.3	—	32.3	15.7							
10.9	—	10.9	—	3.0	—	3.0	—	46.0	12.7							
134.1	—	134.1	40.0	—	—	40.0	—	32.2	9.6							
(22.5)	(22.5)	(22.5)	(84.5)	(22.5)	—	(107.0)	—	38.4	(25.7)	7.3						
211.3	—	211.3	40.0	—	—	40.0	—	16.5	(16.4)							
106.4	—	106.4	50.0	—	—	50.0	—	7.8	(20.9)							
87.0	—	87.0	(85.5)	(50.0)	—	(135.0)	—	13.6	36.9							
232.9	68.0	300.9	100.0	25.0@	—	125.0	—	31.9	13.3							
152.3	—	152.3	(263.0)	(35.0)	—	(298.0)	—	48.0	47.3							
3429.7	590.5	4020.2	1565.5	81.0	150.0	1796.5	1.1	31.6	14.1							
(22.5)	(22.5)	(2104.5)	(163.5)	(200.0)	(2468.0)				(19.2)							
54.2	10.0	64.2	35.0††	—	—	35.0††	—	28.2	15.4							
(17.2)	(17.2)	(53.0)	(9.0)	—	—	(62.0)	—		(27.2)							
3483.9	600.5	4084.4	1600.5	81.0	150.0	1831.5	1.1	31.6	14.2							
(39.7)	(39.7)	(2157.5)	(172.5)	(200.0)	(2530.0)				(19.3)							
			—	1.8	—	1.8	—									
			—	(13.8)	—	(3.8)	—									
			—	1.9	—	1.9	—									
			—	(49.4)	—	(49.4)	—									
			—	3.0	—	3.0	—									
			—	(10.5)	—	(10.5)	—									
3483.9	600.5	4048.4	1600.5	87.7	150.0	1838.2	1.1									
(39.7)	(39.7)	(2157.5)	(246.7)	(200.0)	(2603.7)											

contributions of promoters, directors, etc., are based on the information available in the relative prospectuses.

ANNEXURE
DIRECT LOANS AND GUARANTEES FOR

Name of the exporter	Nature of goods to be exported	Importing country	Currency of Payment
1	2	3	4
1. Kamani Engineering Corporation Ltd., Bombay.	Transmission line towers, copper & ACSR Conductors	Iran	U.S. Dollars
2. Ramchander Heeralal, Calcutta	Railway track materials	Iran	U.S. Dollars
Total			

Note : (1) Figures are based on information available at the time the assistance was sanctioned.
(2) Percentages in brackets indicate the extent of IDBI's participation.

ANNEXURE
INDUSTRY-WISE CLASSIFICATION OF FINANCIAL ASSISTANCE

Industry	Financial Assistance Sanctioned					Disbursements
	Loans	Under-writing	Refinance	Rediscount	Total	
1	2	3	4	5	6	7
I. FINANCIAL ASSISTANCE (OTHER THAN FOR EXPORTS).						
1. Coal Mining	—	—	16·8	—	16·8	—
2. Stone, Quarrying, Clay and Sand Pits .. .	—	—	8·1	—	8·1	7·5
3. Metal Mining	—	—	16·4	—	16·4	—
4. Food Manufacturing industries except Beverage industries.						
(a) Sugar	—	—	29·0	—	29·0	47·6
(b) Others	—	—	84·4	—	84·4	83·5
5. Manufacture of Textiles						
(a) Cotton Textiles	45·0	10·0	341·3	—	396·3	193·8
(b) Others	150·0	—	93·6	—	243·6	103·2
6. Manufacture of Wood & Cork except Manufacture of Furniture	—	—	1·5	—	1·5	1·3
7. Manufacture of Furniture and Fixtures .. .	—	—	2·2	—	2·2	—
8. Manufacture of Paper and Paper Products ..	580·0	1·9	39·4	—	621·3	143·3
9. Printing, Publishing and Allied Industries ..	—	—	20·6	—	20·6	14·8
10. Manufacture of Leather and Leather and Fur Products except Footwear and other Wearing Apparel	—	—	4·2	—	4·2	3·5
11. Manufacture of Leather Footwear and Wearing Apparel	22·0	11·5	—	—	33·5	—
12. Manufacture of Rubber Products	—	—	17·8	—	17·8	40·6
13. Manufacture of Chemicals and Chemical Products						
(a) Basic industrial chemicals other than fertilisers	100·0	25·0	86·2	—	211·2	200·0
(b) Fertilisers	15·0	9·0	9·7	—	33·7	247·3
(c) Vegetable and animal oils and fats (except edible oils)	—	—	26·1	—	26·1	20·1
(d) Manufacture of artificial fibres	—	—	17·2	—	17·2	1·4
(e) Manufacture of paints, varnishes and lacquers	—	—	3·2	—	3·2	—
(f) Manufacture of miscellaneous chemical products	—	—	66·0	—	66·0	288·8
14. Manufacture of Products of Petroleum and Coal	—	—	—	—	—	—

I (B)
EXPORTS SANCTIONED BY THE IDBI DURING 1968-69

(In lakhs of rupees)

Total Assistance required of IDBI and Commercial Banks			IDBI's Share in Total Assistance Sanctioned		
Post-ship- ment loan	Perfor- mance guaran- tee	Other guaran- tees	Post-ship- ment loan	Perfor- mance guaran- tee	Advance Payment guaran- tee
5	6	7	8	9	10
1017.47	63.80	120.28	610.48 (60%)	—	60.14 (50%)
62.52	—	—	44.00 (70%)	—	—
1079.99	63.80	120.28	654.48	—	60.14

II**SANCTIONED AND DISBURSED IN THE IDBI**

(In lakhs of rupees)

1967-68					Since Inception of IDBI upto the end of June 1969				
Financial Assistance Sanctioned					Disburse- ments	Total assistance sanctioned	Percentage of assistance sanctioned to total for all industries	Total disburse- ments*	
Loans	Under- writing	Refinance	Rediscount	Total	12	13	14	15	16
8	9	10	11	12	13	14	15	16	
—	—	10.0	—	10.0	0.8	84.5	0.3	207.7	
—	—	—	—	—	0.3	32.4	0.1	31.8	
—	—	—	—	—	2.9	50.9	0.2	34.6	
—	—	18.4	—	18.4	13.8	252.8	1.0	234.8	
—	—	56.1	—	56.1	34.3	221.2	0.9	213.8	
75.0	3.0	35.9	—	113.9	232.7	2378.7	9.8	2443.0	
—	—	164.8	—	164.8	89.5	942.7	3.9	676.8	
—	—	—	—	—	—	17.4	0.1	52.3	
—	—	—	—	—	—	6.6	..	4.4	
60.0	—	30.5	—	90.5	144.0	1213.4	5.0	659.7	
—	—	—	—	—	—	65.8	0.3	58.8	
—	—	—	—	—	0.6	4.8	..	4.1	
—	—	18.0	—	18.0	4.8	33.5	0.1	78.7	
—	—	—	—	—	—	87.6	0.4	—	
315.0	47.5	90.8	—	453.3	622.6	2626.1 (1081.4)	10.8	2113.0 (1081.4)	
—	—	—	—	—	536.1 (295.0)	3556.7 (1085.0)	14.7	3420.9 (573.1)	
—	—	30.7	—	30.7	16.6	60.5	0.3	47.3	
—	—	—	—	—	49.6	226.3	0.9	211.5	
—	—	—	—	—	—	67.2	0.3	64.0	
313.0	26.5	46.6	—	386.1	90.2	1005.5	4.1	840.1	

1968-69

Industry	Financial Assistance Sanctioned					Disbursements
	Loans	Under-writing	Refinance	Rediscount	Total	
1	2	3	4	5	6	7
15. Manufacture of Non-Metallic Mineral Products except Products of Petroleum and Coal						
(a) Manufacture of structural clay products	..	—	7·7	—	7·7	6·5
(b) Manufacture of glass and glass products	..	—	25·0	—	25·0	23·3
(c) Manufacture of pottery, China and earthenware (ceramics)	..	—	30·5	—	30·5	34·2
(d) Cement	..	190·0	—	—	190·0	217·0
(e) Grinding wheels and abrasives	..	—	—	—	—	—
(f) Asbestos	..	—	3·5	—	3·5	2·0
(g) Not elsewhere classified	..	—	4·1	—	4·1	1·4
16. Basic Metal Industries						
(a) Iron and steel basic industries	..	69·7	—	76·0	—	145·7
(b) Non-ferrous metal basic industries	..	75·0	150·0	1·0	226·0	245·2
17. Manufacture of Metal Products except Machinery and Transport Equipment	..	—	—	40·2	—	40·2
18. Manufacture of Machinery except electrical machinery	..	316·8 (1·1)	14·5	172·5	1549·4	2053·2 (1·1)
19. Manufacture of Electrical Machinery, Apparatus, Appliances and Supplies	..	37·0	6·7	84·7	—	128·4
20. Manufacture of Transport equipment	..	—	—	38·4	—	38·4
21. Miscellaneous Manufacturing Industries						
(a) Manufacture of professional scientific measuring and controlling instruments	..	—	—	12·1	—	12·1
(b) Manufacture of watches and clocks	..	—	—	—	—	11·1
(c) Plastic moulded goods	..	—	—	1·4	—	—
(d) Surgical dressings etc.	..	—	—	—	—	5·9
(e) Cigarette filters	..	—	—	—	—	—
(f) Stationery articles	..	—	—	2·1	—	2·1
(g) Water meters, steam meters & electricity meters	..	—	3·0	—	—	3·0
(h) Roofing materials	..	—	—	—	—	3·0
(i) Musical instruments	..	—	—	6·0	—	1·9
(j) Manufacture of thermal and acoustic insulators	..	—	—	24·3	—	6·0
(k) Photographic and optical instruments	..	—	—	1·8	—	4·8
(l) Packaging material	..	—	—	10·6	—	1·8
(m) Not elsewhere classified	..	—	—	1·9	—	0·9
22. Electricity, Gas, Water and Sanitary Services, Gas manufacture and distribution (Industrial Gases)	..	—	—	5·6	—	5·6
23. Services						
(a) Hotel industry	..	—	6·0	62·5	—	68·5
(b) Road transport	..	—	—	9·3	—	9·3
(c) Others	..	—	—	7·2	—	7·2
TOTAL ..	1600·5 (1·1)	237·6	1512·1	1549·4	4899·6 (1·1)	4177·3 (1·1)
II. MEDIUM-TERM EXPORT CREDITS ..	—	—	747·7	—	747·7	249·3
III. DIRECT LOANS FOR EXPORTS ..	654·5 (60·1)+	—	—	—	654·5 (60·1)+	—
GRAND TOTAL	2255·0 (61·2)	237·6	2259·7	1549·4	6301·8 (61·2)	4426·6 (1·1)

Note : Figures within brackets relate to guarantees for loans and deferred payments/advance payment guarantee (export credit).

* Inclusive of disbursements made in respect of refinance assistance sanctioned by the Refinance Corporation for Industry prior

+ Relates to advance payment guarantee (export credit).

.. Negligible

II—(contd.)

(In lakhs of rupees)

1967-68					Since inception of IDBI upto the end of June 1969				
Financial Assistance Sanctioned					Disbursements		Total assistance sanctioned	Percentage of assistance sanctioned to total for all industries	Total disbursements*
Loans	Under-writing	Refinance	Rediscount	Total	12	13	14	15	16
8	9	10	11	12	13	14	15	16	
—	—	1·3	—	1·3	—	61·6	0·3	59·1	
—	—	8·6	—	8·6	4·8	95·6	0·4	90·4	
—	—	16·0	—	16·0	—	65·2	0·3	52·9	
241·0	5·0	—	—	246·0	413·8 (248·5)	1341·0 (248·5)	5·5	1057·9 (248·5)	
—	—	—	—	—	—	—	—	—	4·0
—	—	—	—	—	3·2	27·5	0·1	25·0	
—	—	—	—	—	—	4·1	..	1·4	
220·0	32·6	79·2	—	331·8	241·9	2066·1	8·5	1083·7	
175·0	—	40·0	—	215·0	80·5	543·8	2·2	430·5	
—	—	67·2	—	67·2	53·4	267·7	1·1	205·9	
—	—	145·6	1243·2	1388·8	1247·9	5250·2 (1·1)	21·7	4494·8 (1·1)	
60·0	3·4	48·8	—	112·2	109·4	1031·6	4·3	946·7	
—	—	20·8	—	20·8	26·1	253·2	1·0	293·4	
—	—	—	—	—	—	12·1	0·1	14·1	
—	—	—	—	—	—	11·0	0·1	9·0	
—	—	6·1	—	6·1	—	7·5	..	6·9	
—	—	—	—	—	—	7·2	..	7·2	
—	—	—	—	—	—	—	—	4·0	
—	—	—	—	—	—	2·1	..	—	
—	—	—	—	—	—	14·5	0·1	14·3	
—	—	5·1	—	5·1	2·6	5·1	..	4·5	
—	—	—	—	—	—	6·0	..	4·8	
—	—	—	—	—	1·6	25·9	0·1	1·6	
—	—	—	—	—	—	1·8	..	0·9	
—	—	10·4	—	10·4	6·4	21·0	0·1	15·1	
—	—	—	—	—	—	1·9	..	0·2	
—	—	2·4	—	2·4	—	9·0	0·1	14·4	
—	—	25·7	—	25·7	12·8	134·3	0·6	104·6	
—	—	—	—	—	—	9·3	0·1	7·2	
—	—	4·8	—	4·8	4·8	20·0	0·1	20·0	
1459·0	118·0	983·8	1243·2	3804·0	4048·0 (543·5)	24230·9 (2415·9)	100·0	20401·4 (1904·1)	
—	—	32·1	—	32·1	29·0	919·3	—	403·4	
—	—	—	—	—	—	654·5 (60·1)+	—	—	
1459·0	118·0	1015·9	1243·2	3836·1	4077·0 (543·5)	25804·7 (2476·1)	—	20804·8 (1904·1)	

sanctioned and executed, which have not been included in the totals.
to its merger with the IDBI.

ANNEXURE III

SOURCES AND USES OF FUNDS OF TERM-FINANCING INSTITUTIONS DURING 1968-69
(APRIL-MARCH)

(In crores of rupees)

	IDBI	IFCI	ICICI	SFCs	Total	Total (excluding inter-in- stitutional flows)
A. SOURCES OF FUNDS						
1. Increase in paid-up capital	..	—	—	—	0.33	0.33
2. Increase in reserves	..	2.31	1.50	0.90	0.81	5.52
3. Borrowings (Gross) in India from						
(i) Government	25.00	10.00	—	1.56	36.56
(ii) Reserve Bank of India	0.29	—	—	5.51	5.80
(iii) IDBI	—	—	2.50	6.01*	8.51
(iv) Banks	—	—	—	1.77	1.77
(v) Others	—	—	—	0.55	0.55
4. Borrowing by way of bonds/debentures	..	—	8.33	—	7.63	15.96
5. Borrowing in foreign currency :						
(i) Total line of credit available	—	(17.83)	(25.91)	—	(43.74)
(ii) Utilised	—	2.39	8.74	—	11.13
6. Deposits accepted	—	—	—	2.65	2.65
7. Sale of investments in :						
(i) Government and other trustee securities ..	—	—	0.79	1.74	2.53	2.53
(ii) Shares, debentures etc. (including underwriting) ..	—	1.26	0.74	—	2.00	2.00
8. Repayment of loans by borrowers :						
(i) Rupee loans	26.46	7.49	2.98	8.26	45.19
(ii) Foreign currency loans	—	1.41	7.43	—	8.84
9. Recoveries in respect of guarantees	—	..	—	0.15	0.15
10. Others**	17.76	7.87	6.65	8.11	40.39
Total	..	71.82	40.25	30.73	45.08	187.88
						176.61

B. USES OF FUNDS

1. Disbursement of assistance by way of :						
(i) Loans :						
(a) Rupee loans ..	..	33.39	14.58	2.67	17.44	68.08
(b) Foreign currency loans ..	..	—	2.39	8.74	—	11.13
(ii) Subscriptions to shares, debentures etc. of industrial concerns ..	..	0.82	1.76	4.80	0.55	7.93
(iii) Subscriptions to shares/bonds of financial institutions ..	..	2.79	—	—	—	2.79
(iv) Guarantees ..	..	—	0.74	—	0.49	1.23
2. Investment in Government trustee securities ..	..	—	—	—	0.59	0.59
3. Repayment of loans (in India) ..	..	—	—	—	—	—
(i) Government ..	..	—	0.78	—	0.11	0.89
(ii) Reserve Bank of India ..	..	—	2.48	—	6.08	8.56
(iii) IDBI ..	..	—	—	—	2.47	2.47
(iv) Banks ..	..	—	—	—	1.78	1.78
(v) Others ..	..	—	—	—	—	—
4. Redemption of bonds/debentures ..	..	—	4.38	—	3.47	7.85
5. Repayment of loans in foreign currency ..	..	—	2.06	8.84	—	10.90
6. Repayment of deposits ..	..	—	—	—	4.42	4.42
7. Others** ..	..	34.82	11.08	5.68	7.68	59.26
Total	..	71.82	40.25	30.73	45.08	187.88
						176.61

* Relates to re-finance assistance.

.. Negligible.

** Inclusive of cash and other liquid resources.

APPENDIX I

**LIST OF BANKS/FINANCIAL INSTITUTIONS ELIGIBLE FOR REFINANCING AND REDISCOUNTING FACILITIES
AS ON JUNE 30, 1969**

BANKS

- | | |
|--|---|
| * 1. Algemene Bank Nederland N.V.
(General Bank of the Netherlands) | *23. Eastern Bank Ltd. |
| * 2. Allahabad Bank Ltd.+ | *24. First National City Bank |
| * 3. American Express International Banking
Corporation | *25. Hongkong & Shanghai Banking
Corporation |
| * 4. Andhra Bank Ltd. | *26. Indian Bank Ltd.+ |
| * 5. Bank of America National Trust and
Savings Association | *27. Indian Overseas Bank Ltd.+ |
| * 6. Bank of Baroda Ltd.+ | 28. Karnataka Bank Ltd. |
| * 7. Bank of India Ltd.+ | 29. Karur Vysya Bank Ltd. |
| 8. Bank of Karad Ltd. | 30. Krishnaram Baldeo Bank Private Ltd.: |
| 9. Bank of Madura Ltd. | 31. Kumbakonam City Union Bank Ltd. |
| *10. Bank of Maharashtra Ltd.+ | 32. Lakshmi Commercial Bank Ltd. |
| 11. Bank of Rajasthan Ltd. | 33. Lakshmi Vilas Bank Ltd. |
| *12. Bank of Tokyo Ltd. | *34. Mercantile Bank Ltd. |
| *13. Banque Nationale de Paris | 35. Miraj State Bank Ltd. |
| 14. Bareilly Corporation (Bank) Ltd. | *36. Mitsui Bank Ltd. |
| 15. Belgaum Bank Ltd. | *37. National and Grindlays Bank Ltd. |
| 16. Benares State Bank Ltd.++ | *38. National Bank of Pakistan. |
| *17. British Bank of the Middle East | 39. New Bank of India Ltd. |
| *18. Canara Bank Ltd.+ | *40. Punjab National Bank Ltd.+ |
| 19. Canara Banking Corporation Ltd. | 41. Sangli Bank Ltd. |
| *20. Central Bank of India Ltd.+ | 42. South India Bank Ltd.(Tinnevelly) |
| *21. Chartered Bank | 43. South Indian Bank Ltd. |
| *22. Dena Bank Ltd.- | *44. State Bank of Bikaner and Jaipur. |
| * Eligible for rediscounting facilities only. | |
| *45. State Bank of Hyderabad | |
| *46. State Bank of India | |

*47. State Bank of Indore.	54. Tanjore Permanent Bank Ltd.
*48. State Bank of Mysore	*55. Union Bank of India Ltd.+
*49. State Bank of Patiala	*56 United Bank of India Ltd.+
*50. State Bank of Saurashtra	*57. United Commercial Bank Ltd.+
*51. State Bank of Travancore	58. United Western Bank Ltd.
*52. Syndicate Bank Ltd.+	59. Vijaya Bank Ltd.
53. Tamilnad Mercantile Bank Ltd. (Tuticorin)	60. Vysya Bank Ltd.

STATE CO-OPERATIVE BANKS

- | | |
|--|--|
| 1. Andhra State Co-operative Bank Ltd. | 6. Mysore State Co-operative Apex Bank Ltd. |
| 2. Gujarat State Co-operative Bank Ltd. | 7. Punjab State Co-operative Bank Ltd. |
| 3. Madhya Pradesh State Co-operative Bank Ltd. | 8. Uttar Pradesh Co-operative Bank Ltd. |
| 4. Madras State Co-operative Bank Ltd. | 9. West Bengal Provincial Co-operative Bank Ltd. |
| 5. Maharashtra State Co-operative Bank Ltd. | |

STATE FINANCIAL CORPORATIONS

- | | |
|--|---|
| 1. Andhra Pradesh State Financial Corporation | 10. Madhya Pradesh Financial Corporation |
| 2. Assam Financial Corporation | 11. Maharashtra State Financial Corporation |
| 3. Bihar State Financial Corporation | 12. Mysore State Financial Corporation |
| 4. Delhi Financial Corporation | 13. Orissa State Financial Corporation |
| 5. Gujarat State Financial Corporation | 14. Punjab Financial Corporation |
| 6. Haryana Financial Corporation | 15. Rajasthan Financial Corporation |
| 7. Himachal Pradesh Financial Corporation | 16. Uttar Pradesh Financial Corporation |
| 8. Jammu & Kashmir State Financial Corporation | 17. West Bengal Financial Corporation |
| 9. Kerala Financial Corporation | 18. Madras Industrial Investment Corporation Ltd. |

OTHER INSTITUTIONS

1. Industrial Finance Corporation of India
2. Industrial Credit & Investment Corporation of India Ltd.

* These banks are eligible for obtaining refinance against medium-term export credit.

+ Since nationalised on July 19, 1969.

APPENDIX II

LIST OF EXPORTABLE ITEMS ELIGIBLE FOR
REFINANCE FACILITIES AS ON JUNE 30, 1969**A. CAPITAL GOODS**

1. Sugar Mill Machinery (including Khandsari Machinery)
2. Textile Mill Machinery
3. Jute Mill Machinery
4. Oil Mill Machinery
5. Shoe Making Machinery
6. Tea Machinery
7. Flour Mill, Rice, Dal Machinery
8. Printing Machinery
9. Paper Making Machinery
10. Wood Working Machinery
11. Fertiliser Plant and Equipment
12. Water Treatment Plant
13. Sub-station Structures and Railway Electrification Structures
14. Structural Fabrications such as Bridges, Factory Sheds and Buildings
15. Lathes
16. Steel Billets
17. Steel Rails
18. Centrifugal Pumps
19. Vehicular Trailers and Auto Parts
20. Tools—Hand and Machine
21. Agricultural Implements
22. Gas Cylinders
23. Railway Track Fittings
24. Steel Tanks
25. Weighing Scales
26. Oil Expellers

B. PRODUCER GOODS

1. Electric Motors
2. Transformers (Power & Distribution)
3. Generators
4. Switch Gears
5. Industrial Switch Boards and Control Panels
6. Circuit Breakers
7. Air Break Switches
8. Telephones
9. Telephone Switch Boards and Telegraphs
10. Gas Plants
11. Borehole Turbine Pumps
12. Diesel Engines
13. Bus, Bus Body Kits, Motor Vehicles and Chassis
14. Transmission Line Towers
27. Railway Signalling Equipment
28. Tubular Poles & Accessories
29. Tipping Wagons and Railway Wagons
30. Tar Boilers

C. CONSUMER GOODS

1. Sewing Machines & Parts
2. Cycle—Parts & Accessories
3. Electric Refrigerators, Air Conditioners & Water Coolers
4. Electric Fans
5. ACSR Conductors and Copper Conductors
6. X-Ray Electro-Medical Equipment and Hospital Equipment
7. Such Other Goods in respect of which the exemption under Rule 6 of the Foreign Exchange Regulation Rules, 1952 has been granted for an *initial* period exceeding 6 months.

**ANNUAL
INDUSTRIAL DEVELOPMENT
BALANCE SHEET AS AT**

Previous Year	Liabilities	This Year
Rs.		Rs.
50,00,00,000	1. CAPITAL Authorised	50,00,00,000
20,00,00,000	Issued and Paid-up	20,00,00,000
6,07,80,000	2. RESERVES AND RESERVE FUND (i) Reserve Fund	8,91,30,000
	(ii) Other Reserves	
	(a) Investment Reserve	1,905
		<u>8,91,31,905</u>
..	3. GIFTS, GRANTS, DONATIONS AND BENEFACCTIONS (i) From Government	
..	(ii) From other sources	
..	4. BONDS AND DEBENTURES	
..	5. DEPOSITS	
..	6. BORROWINGS (i) From Reserve Bank of India (a) Secured against stocks, funds and other trustee securities	
..	(b) Secured against bills of exchange or promissory notes	
6,08,92,344	(c) Out National Industrial Credit (Long Term Operations) Fund	6,26,71,044
10,00,00,000	(ii) From Government of India (a) Interest-free loan	10,00,00,000
1,15,15,00,000	(b) Other loans	1,40,15,00,000
..	(iii) From other sources	
..	(iv) In foreign currency	
		<u>1,56,41,71,044</u>
2,88,18,178	7. CURRENT LIABILITIES AND PROVISIONS	3,92,38,524
	8. PROFIT AND LOSS ACCOUNT	
3,06,38,873	Balance of Profit transferred from the account annexed	3,58,54,325
2,31,38,296	Less : Transferred to Reserve Fund	2,83,50,000
75,00,577	Less : Balance transferable to Reserve Bank of India in terms of Section 22(2) of the Industrial Development Bank of India Act, 1964	75,04,325
	CONTINGENT LIABILITIES	
4,45,060	(i) Claims against the Bank not acknowledged as debts	4,45,060
47,22,69,676	(ii) On account of guarantees issued**	45,77,91,646
4,74,00,000	(iii) On account of underwriting commitments	1,93,50,000
11,12,205	(iv) On account of uncalled moneys on partly-paid shares, debentures etc.	78,96,958
..	(v) Moneys for which the Bank is contingently liable	
		<u>48,54,83,664</u>

*Acquired in discharge of underwriting obligations (including Rs. 5,28,210 on acquisition of rights) charged.

**Including liability agreed to be borne by participating financial institutions Rs. {28,49,97,508 (previous year, Rs. 28,71,95,994).

As per our report attached.
S. B. BILLIMORIA & CO.
Chartered Accountants.

**ACCOUNTS
BANK OF INDIA
30TH JUNE 1969**

GENERAL FUND

Previous Year	Assets	This Year
Rs.		Rs.
1. CASH AND BANK BALANCES		
28,495	(i) Cash in hand and balances with Reserve Bank of India	13,842
	(ii) <i>Balances with other banks</i>	
..	(a) On current account . . . . .	..
..	(b) On deposit account . . . . .	..
		<u>13,842</u>
2. INVESTMENTS @		
15,48,73,419	(i) In securities of Central and State Governments	13,95,94,453
19,33,00,344	(ii) In stocks, shares, bonds and debentures of financial institutions	23,82,79,044
9,18,56,868	(iii) In stocks, shares, bonds and debentures of industrial concerns*	10,25,05,110
		<u>48,03,78,607</u>
3. LOANS AND ADVANCES		
64,60,30,479	(i) To scheduled banks, State co-operative banks and other financial institutions	63,99,94,315
32,40,49,000	(ii) To industrial concerns	46,35,08,000
		<u>1,10,35,02,315</u>
16,74,75,937	4. BILLS OF EXCHANGE AND PROMISSORY NOTES DISCOUNTED OR REDISCOUNTED	26,76,50,387
5. PREMISES		
..	(At cost less depreciation) . . . . .	..
6. OTHER FIXED ASSETS		
2,44,174	(At cost less depreciation)	2,20,606
2,39,31,806	7. OTHER ASSETS	4,07,75,716
8. PROFIT AND LOSS ACCOUNT		
..	Balance from last balance sheet . . . . .	..
..	Profit/Loss transferred from the account annexed . . . . .	..
		<u>1,89,25,41,473</u>
1,60,19,90,522		

BY ORDER OF THE BOARD

P. K. DASGUPTA,
General Manager.
Bombay, 18th August 1969

I. K. JHA, *Chairman.*
A. BAKSI, *Vice-Chairman.*
J. RAMDAVE ROW, *Director.*

G. BASU, *Director.*

**INDUSTRIAL DEVELOPMENT
PROFIT AND LOSS ACCOUNT FOR THE**

Previous Year	Expenditure	This Year
Rs.		Rs.
5,23,71,127	1. Interest paid on Deposits, Borrowings etc.	6,41,75,090
26,13,128	2. Establishment expenses	30,92,490
26,519	3. Directors' and Executive Committee Members' fees and expenses	36,657
6,000	4. Auditors' fees	9,000
2,88,802	5. Rent, Taxes, Insurance, Lighting etc.	3,00,958
3,73,790	6. Law charges	3,52,119
8,561	7. Postage, Telegrams and Stamps	12,881
39,526	8. Stationery, Printing, Advertisement etc.	40,162
40,486	9. Depreciation	35,591
	10. Net loss on sale of investments (not debited to reserves or any particular fund — or account)	
1,06,188	11. Other Expenditure	1,14,323
3,06,38,873	12. Balance of Profit carried to Balance Sheet	3,58,54,325
<u>8,65,13,000</u>		<u>10,40,23,596</u>

Bombay, 18th August 1969.

As per our report attached.
S. B. BILLIMORIA & CO.
Chartered Accountants.

BANK OF INDIA

YEAR ENDED 30TH JUNE 1969

GENERAL FUND

INCOME		
Previous Year	(Less provision made during the year for bad and doubtful debts and other necessary and expedient provisions)	This Year
Rs.		Rs.
7,03,52,416	1. Interest and Discount	7,94,58,890
1,24,67,590	2. Income from Investments	2,07,52,923
31,61,407	3. Commission, Brokerage etc.	32,23,982
—	4. Net profit on sale of investments (not credited to reserves or any particular fund or account)	—
5,31,587	5. Other Income@	5,87,801
—	6. Balance of Loss carried to Balance Sheet	—
8,65,13,000		10,40,23,596

@Including Rs. 5,00,000 received from the Development Assistance Fund towards expenditure on administration and application of the Fund.

BY ORDER OF THE BOARD

P. K. DASGUPTA,
General Manager.
Bombay, 18th August 1969.

L. K. JHA, *Chairman.*
A. BAKSI, *Vice-Chairman.*
J. RAMDAVE ROW, *Director.*
G. BASU, *Director.*

REPORT OF THE AUDITORS

We have audited the attached Balance Sheet of the Industrial Development Bank of India as at 30th June 1969 and also the Profit and Loss Account of the Bank for the year ended on that date, and report as follows :—

- (1) We have obtained all the information and explanations which we have required for the purposes of our audit and the same have been satisfactory;
- (2) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet is a full and fair Balance Sheet and is properly drawn up containing all the necessary particulars so as to exhibit a true and fair view of the state of affairs of the Bank as at 30th June 1969 and is also properly drawn up in accordance with the requirements of Regulation 14 of the Industrial Development Bank of India Regulations, 1964.

S. B. BILLIMORIA & CO.
Chartered Accountants.

Bombay, 18th August 1969.

INDUSTRIAL DEVELOPMENT
BALANCE SHEET AS AT

Previous Year		Liabilities	This Year	
			Rs.	Rs.
	Rs.			
27,35,00,000		1. LOANS		27,35,00,000
..	(i) From Government	..	..	..
..	(ii) From other sources	..	..	..
2. GIFTS, GRANTS, DONATIONS AND BENEFACTIONS				27,35,00,000
..	(i) From Government	..	..	..
..	(ii) From other sources	..	..	..
5,00,000		3. OTHER LIABILITIES AND PROVISIONS		5,00,000
40,05,764		4. PROFIT AND LOSS ACCOUNT		
48,04,341		Balance from last balance sheet	88,10,105	
		Profit transferred from the account annexed	50,27,406	
				1,38,37,511
		CONTINGENT LIABILITIES		
..	(i) Claims against the Bank not acknowledged as debts	..	..	..
..	(ii) On account of guarantees issued	..	..	..
..	(iii) On account of underwriting commitments	..	..	..
..	(iv) On account of uncalled moneys on partly-paid shares, debentures etc.	..	..	..
..	(v) Moneys for which the Bank is contingently liable	..	..	..
28,28,10,105				28,78,37,511

As per our report attached.
S. B. BILLIMORIA & CO.
Chartered Accountants

Bombay, 18th August 1969.

INDUSTRIAL DEVELOPMENT
PROFIT AND LOSS ACCOUNT FOR THE

Previous Year		Expenditure	This Year	
			Rs.	Rs.
1,49,68,166		1. Interest paid on Borrowings		1,50,42,000
5,00,000		2. Establishment expenses@		5,00,000
..	3. Auditors' fees	..	..	..
..	4. Rent, Taxes, Insurance, Lighting etc.	..	..	..
..	5. Law charges	..	..	..
..	6. Postage, Telegrams and Stamps	..	..	..
..	7. Stationery, Printing, Advertisement etc.	..	..	..
..	8. Net loss on sale of investments (not debited to reserves or any particular fund or account)	..	..	..
..	9. Other expenditure	..	..	..
48,04,341		10. Balance of Profit carried to Balance Sheet		50,27,406
2,02,72,507				2,05,69,406

@Representing reimbursement to General Fund towards expenditure on administration and application of the Fund.

As per our report attached.
S. B. BILLIMORIA & CO.
Chartered Accountants.

Bombay, 18th August 1969.

BANK OF INDIA
30TH JUNE 1969

DEVELOPMENT ASSISTANCE FUND

Previous Year	Assets	This Year
Rs.		Rs.
7,235	1. CASH AND BANK BALANCES (i) Cash in hand and balances with Reserve Bank of India	1,029
..	(ii) Balances with other banks (a) On current account . . . . .	..
..	(b) On deposit account . . . . .	..
		1,029
12,60,902	2. INVESTMENTS@ (i) In securities of Central and State Governments	61,84,856
2,48,98,200	(ii) In stocks, shares, bonds and debentures of industrial concerns*	2,48,98,200
25,00,00,000	3. LOANS AND ADVANCES	3,10,83,056
66,43,768	4. OTHER ASSETS	25,00,00,000
..	5. PROFIT AND LOSS ACCOUNT Balance from last balance sheet	67,53,426
..	Profit/Loss transferred from the account annexed . . . . .	..
28,28,10,105		28,78,37,511

	Book value Rs.	Market value Rs.
(a) Quoted investments	2,50,47,031	6,32,79,155
(b) Unquoted investments	60,36,025	..
	3,10,83,056	6,32,79,155

*Acquired in discharge of underwriting obligations.

BY ORDER OF THE BOARD

P. K. DASGUPTA,
General Manager.

L. K. JHA, *Chairman.*
A. BAKSI, *Vice-Chairman.*
J. RAMDAVE ROW, *Director.*
G. BASU, *Director.*

Bombay, 18th August 1969.

BANK OF INDIA
YEAR ENDED 30TH JUNE 1969

DEVELOPMENT ASSISTANCE FUND

Previous Year	INCOME (Less provision made during the year for bad and doubtful debts and other necessary and expedient provisions)	Rs.
Rs.		Rs.
1,99,34,963	1. Interest	2,00,00,000
3,29,154	2. Income from Investments	5,69,406
8,390	3. Commission, Brokerage etc. . . . .	..
..	4. Net profit on sale of investments (not credited to reserves or any particular fund or account) . . . . .	..
..	5. Other Income . . . . .	..
..	6. Balance of Loss carried to Balance Sheet . . . . .	..
2,02,72,507		2,05,69,406

BY ORDER OF THE BOARD

P. K. DASGUPTA,
General Manager.

L. K. JHA, *Chairman.*
A. BAKSI, *Vice-Chairman.*
J. RAMDAVE ROW, *Director.*
G. BASU, *Director.*

Bombay, 18th August 1969.

REPORT OF THE AUDITORS

We have audited the attached Balance Sheet of the Development Assistance Fund of the Industrial Development Bank of India as at 30th June 1969 and also the Profit and Loss Account of the Fund for the year ended on that date, and report as follows :

- (1) We have obtained all the information and explanations which we have required for the purposes of our audit and the same have been satisfactory;
- (2) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet is a full and fair Balance Sheet and is properly drawn up containing all the necessary particulars so as to exhibit a true and fair view of the state of affairs of the Fund as at 30th June 1969 and is also properly drawn up in accordance with the requirements of Regulation 14 of the Industrial Development Bank of India Regulations, 1964.

S. B. BILLIMORIA & CO.
Chartered Accountants.

Bombay, 18th August 1969.

MINISTRY OF FOOD, AGRICULTURE, COMMUNITY DEVELOPMENT AND COOPERATION

(Department of Food)

New Delhi-1, the 20th September 1969

FAMINE

G.S.R. No. 3(2)/69-SR.II—In accordance with clause (b) of Rule 3 of the Rules published with the late Department of Revenue and Agriculture Notification No. 1616-F, dated the 25th July, 1900, as amended from time to time, the Government of Haryana are pleased to appoint the Commissioner for Revenue and Secretary to Government, Haryana, Revenue Department, Chandigarh as their representative on the Board of Management, Indian People's Famine Trust in place of the Financial Commissioner Revenue and Secretary to the Government, Haryana, Revenue Department, Chandigarh.

P. ROHMINTHANGA

Under Secretary to the Govt. of India

EMPLOYEES STATE INSURANCE CORPORATION

New Delhi, the 15th September 1969

No. 3(2)-4/66-Estt.III—In pursuance of Section 25 of the Employees' State Insurance Act, 1948 (34 of 1948) read with Regulation 10 of the Employees' State Insurance (General) Regulations, 1950, the following further amendment is hereby made in the Employees' State Insurance Corporation Notification No. 3(2)-4/66-Estt.III, dated the 3rd March, 1967 pertaining to the constitution of the Regional Board, Madras Region, namely :—

In the said Notification, in the entry against item No. 7, for the words "Secretary to the Government of Tamilnadu in the Labour and Housing Department, Madras", the words "Secretary to the Government of Tamilnadu in the Labour Department, Madras" shall be substituted.

The 18th September 1969

No. INS.I.2(1)1/68-II—It is hereby specified for general information that with effect from 28-1-1968 for the purposes of Regulation 2(C) of the Employees' State Insurance (General) Regulations, 1950, the appropriate Regional Office in respect of the employees working in Office/Branch situated outside the area of the main factory shall be the Regional Office in whose jurisdiction the Office/Branch of the factory is situated.

T. C. PURI
Director General

CORRIGENDUM

New Delhi, the 19th September 1969

No. INS.I.22(1)2/69—In partial modification to this Office Notification No. INS.I.22(1)-2/69(8), dated 29-7-1969 published at p. 468 in Part III, Section 4 of the Gazette of India, dated 9th August, 1969, it is notified that in Column 4 against village Malerkotla in the above cited Notification the Had bast No. "99" may be read as "98".

B. R. MADAN
Deputy Insurance Commissioner